=

Options for Brighton Hippodrome

FINAL REPORT

NOVEMBER 2015

PREPARED FOR THE THEATRES TRUST AND STAKEHOLDERS

Accelerating success.

COLLIERS INTERNATIONAL

Company registered in England and Wales no. 7996509
Registered office:
50 George Street
London W1U 7GA

Tel: +44 20 7935 4499
www.colliers.com/uk

david.geddes@colliers.com

TABLE OF CONTENTS

APPENDICES

1 INTRODUCTION

The Destination Consulting team of Colliers International has been appointed by The Theatres Trust to explore options for the Brighton Hippodrome.

The Theatres Trust has commissioned the work on behalf of a range of stakeholders including Academy Music Group, which owns the building, Brighton and Hove City Council, Our Brighton Hippodrome / Brighton Hippodrome CIC, the Frank Matcham Society, Historic England and other individuals and organisations with an interest in the future of the building.

The aim of the work is to find a use for the Hippodrome that is respectful of its heritage, is deliverable, and will give it a sustainable future. This includes consideration of the viability of the building being restored for use for live performance, especially as a theatre / events venue.

Colliers International provides many property related services including planning, valuation, management and investment. It has teams specialising in food and beverage, hotels & resorts, industrial, offices, residential, and retail.

The Destination Consulting team[1] provides services to many types of destination including venues, heritage sites, shopping and entertainment complexes. We work on commercial, non-commercial and semi-commercial schemes, in the UK and abroad. Business planning is our core professional skill. We have done many studies relating to use of historic buildings and many relating to theatres.

We are doing the work with the assistance of Aedas Arts Team, an architectural practice with an outstanding track record with venues and historic buildings, including several Frank Matcham theatres.

This report is a culmination of the first stage of the work which involves assessing the context and identifying options.

Section 2 has an Executive Summary.

Section 3 summarises the context. It does this in three sections:

- **Physical Considerations**: The nature of the buildings / site including size and nature of spaces, accessibility, and the character of the surrounds. These factors determine what uses are possible.
- **Market Considerations**. Demand for and competition for uses that might fit the site. This determines whether possible uses are likely to be viable.
- **Deliverability Considerations**. How a development of the building might be funded, developed and operated.

Detail is contained in appendices.

[1] It was known until 2011 as Locum Destination Consulting.

Section 4 outlines options for use of the building, split between those where live entertainment / events would be the primary focus and those where it would not.

Section 5 outlines options for treatment of the rest of the site.

Section 6 outlines a concept for using the building for entertainment, in keeping with its heritage as a variety theatre.

Section 7 has conclusions. The main recommendation in this report is contained in Section 7.5.

There is considerable detail about the building and how it might operate as a theatre in a Viability Study and Business Plan (July 2015) prepared by Our Brighton Hippodrome. This includes plans by Foster Wilson architects of possible seating layouts of the auditorium.

We have consulted with variety of people with expertise in different subjects relating to this project. They are listed in Appendix 5.

The outcomes of the research and conclusions were presented to the Stakeholders Group, and to three workshops mainly comprising members of Our Brighton Hippodrome, on 18 August 2015. Feedback from those sessions was reflected in the draft report, which was submitted to the Stakeholders Group on 9 September 2015. The meeting agreed the strategy proposed in this report. Small amendments to the report were made to reflect discussion in the meeting.

2 EXECUTIVE SUMMARY

The Brighton Hippodrome is a fine building owing much of its appearance to work by Frank Matcham, the prolific theatre designer famed for designing beautiful interiors. Relatively few examples of his work remain. It is listed Grade II*[2] in recognition of its importance.

It is in a key location on the edge of one of the most popular townscapes in the UK. It currently blights the area between the Lanes and the seafront. Its restoration would stimulate investment on Ship Street and, especially, Middle Street.

MARKET FOR A LYRIC THEATRE

Many local people are campaigning to restore the building as a theatre and flexible performance venue that can take larger touring productions of musicals and other music-orientated genres like dance and opera, amongst other types of productions and events. This includes the most popular forms of theatre going. Venues of this type are commonly called lyric theatres.

There is a case to be made for this.

Larger touring productions using a theatre like this require, in most instances, a large stage, with wings, behind a proscenium arch. They need a fly tower so that scenery can be moved up and down. They need to have a large enough seating capacity to generate the ticket sales needed to pay for the cost of the productions, which are expensive to stage, and make a profit.

Brighton does not currently have a venue able to do this.

The Hippodrome could also host types of shows that other theatres are typically not able to, including those using thrust stages and taking place in the round. That type of flexibility would also allow it to host flat-floor activities such as cabaret, banquets, exhibitions and markets.

A large lyric theatre would fill a gap in theatre provision year round in the catchment area but would be particularly useful during the Brighton Festival and enable the Festival to build on its status as England's premier cultural festival.

There is a clear niche in the local market for this. The Hippodrome would not be in competition with other Brighton venues for most events it would accommodate.

The Dome is a concert hall which is not designed to take touring productions of musicals, dance and opera because it does not have a stage and fly tower. Similarly, the Theatre Royal is not able to cater for larger touring productions because the stage is too small and the seating capacity is not big enough to ensure the viability of productions.

There is a reasonable prospect of a theatre of the Hippodrome's size making an operating profit on an ongoing basis, provided it does not have to pay significant finance costs. It is more likely than with smaller theatres. Analysis of the market for theatre in Brighton suggests that it is big enough to support the venture.

It would have a positive impact on the regeneration of the immediate Old Town area and the local economy, especially by generating custom for restaurants and

[2] Putting it in the top 6% of listed buildings in England in terms of significar

bars. Additionally, the Hippodrome would fill a gap in doing this that would be created if the Brighton Centre moves out of the centre of town.

The experience of other theatres of this type suggests that more than 100 FTE positions would be created in the building if restored and reopened.

BUILDING CONSTRAINTS

The Hippodrome is not, however, entirely optimal for large touring productions.

One reason is because it was not built as such – the Hippodrome's auditorium is round rather than rectangular. Lyric theatres are rectangular for a reason: this enables the majority of seats to have a good view of the stage. Adding a stage and proscenium to a round auditorium, as Frank Matcham did at the Hippodrome, means that a large proportion of the seats will always have poor sightlines for shows which use most of the depth of the stage. By definition this includes most modern larger lyric touring productions, unless they are adapted especially for the production.

Sight-constrained seats need not be sold, but that diminishes the atmosphere as well as box office takings. It is possible to sell them at reduced price, but it would need to be made clear to audiences that some people would get a less than satisfactory experience.

The Hippodrome is best, being a circus, for productions that use a shallow part of the main stage plus a thrust stage, as favoured by Royal Shakespeare Company. This was the way it operated in its entertainment heyday: it was predominantly a variety theatre rather than a lyric theatre. It would also be very suitable for performances in the round.

We estimate that the number of seats that would have a reasonable view for a production using the depth of the stage would be about 1,350[3]. That is not an unacceptable number from a viability perspective, but more would be better to be confident that the venue would make a profit.

A second reason that the building is less than optimal for taking large touring productions is that access from Ship Street may be constrained for the larger trucks used to deliver stage sets. It may be possible to cater for these by accepting the constraints of the access routes or by adding land from the adjoining Dukes Lane site.

A solution is likely to require collaboration of the owners of the Dukes Lane site. They have so far said it is unlikely that they would co-operate. It would be less satisfactory if sets had to be carried from the street because of health and safety regulations and the additional labour costs this would entail. The presence of large trucks in a dense area with a substantial resident population is not ideal even if these problems are solved through agreement on access and times for loading and unloading.

The third reason that the building is less than optimal for taking larger touring productions is that provision of lobby, bar and toilet areas may need major intervention. Having this is important in terms of visitor experience and for the venue to make a profit. To provide enough space this may require rebuilding

[3] It would normally be possible to sell others at reduced price.

Hippodrome House behind its façade on a larger footprint. Hippodrome House is covered by the Grade II* listing and has interior elements of heritage significance.

The biggest challenge in using the Hippodrome for taking larger touring productions is raising the capital funding needed. The cost of restoring the building as a fully functional presenting lyric theatre is likely to be at least £25 million, possibly £30 million. A basic scheme, that means it is less able to host larger touring productions, is likely to cost at least £15 million. There would be a need for working capital on top of this.

There is no obvious source for that scale of funding at the moment. Our opinion is that 10 years is probably a minimum realistic time frame to raise money of that scale in the current funding environment.

However, the building cannot be allowed to stay empty for that length of time because of continuing deterioration and the negative impact it has on the city centre.

An alternative use is likely to be needed, therefore, either for the short term or for the long term.

The Hippodrome, once restored, would be a magnificent hall. There are many possible uses for such a space, both entertainment and non-entertainment related.

The priority, in our view, should be to ensure that the building retains the full volume of the auditorium, is used for a purpose which complements the architecture, has a high level of access to the public, and has a use that will sustain it financially for the foreseeable future.

Using it for entertainment would be an important bonus.

THEATRE OF VARIETIES

This report outlines a vision for how the building might be operated as a "Theatre of Varieties". It would provide entertainment in many different forms, operating from morning to night. This could include formal theatrical productions such as opera and drama. It would provide a much needed assembly space in the town centre, a hub for local people, and a tourist attraction.

It would retain the flat floor installed when the building was converted to a film/television studio and retained for bingo, with tiered seating on the balcony. A specially designed modular system of seating would enable the auditorium to be used in many different formations including a thrust stage, an arena, and an arena around the stage. It would be able to seat up to 900 people in these configurations. The stage could be a multi-media box to be used either as a self-contained auditorium or as the stage to the main auditorium.

A more straight-forward, but perhaps less impactful, option would be to operate it, in similar configuration, as a flexible events venue, similar to the Troxy in London.

The cost of restoring the building for a use like this would be substantial but more manageable than converting it to a lyric theatre able to take large touring productions. It could be of the order of £13 million, assuming full restoration of the Frank Matcham decorative scheme, creating high quality back of house space and making allowance for working capital needed while the venue establishes itself.

A more basic scheme that is not full restoration and only makes partial improvements to the back-of house might cost £8 million.

It is unlikely to be economically viable for anyone to restore the building on a purely commercial basis given the need for that level of investment (i.e. there is a “conservation deficit”). Therefore non-commercial funding is likely to be needed.

The most likely solution is for an eligible organisation to apply for a grant from the Heritage Lottery Fund’s Heritage Enterprise scheme, which provides grants for up to £5 million to cover any conservation deficit, so that it can be developed and operated in a commercial manner.

This requires a not-for-profit organisation to acquire the freehold and to provide a long lease to one or more operators, using the rent to ensure that the building is maintained in perpetuity.

It may be possible to do this while retaining the fly tower and the access yard, with a view to delivering touring theatre when the capital funding can be raised.

Other grants and funding opportunities (for example community share offer) would be required to assemble the funding package.

The fly tower and access yard could, alternatively, be developed for commercial use, such as residential or hotel, which would pay for part of the restoration and for improved facilities in the auditorium. It would have the advantage of providing a one-off solution and making it easier to interest a developer.

It is unlikely that the development could be of sufficient scale to defray the full cost of restoring the historic building. It could, however, in combination with a grant from Heritage Enterprise, ensure the completion of an attractive scheme. This seems to be the most deliverable solution and, arguably, could be the most effective in regenerating that part of Brighton and making the building safe in the long term.

Figure 1 shows possible funding packages (including acquisition) for the Theatre of Varieties that retain fly tower and service yard (Medium Term) and do not (Permanent).

Figure 1: Possible funding package

	Medium Term	Permanent
Heritage Enterprise:	£5,000,000	£5,000,000
Enabling Development (Hotel or Residential):	£0	£3,500,000
Arts Council England:	£500,000	£500,000
Other Grants:	£500,000	£500,000
Equity from Operator:	£350,000	£700,000
Borrowing by Operator:	£1,650,000	£2,800,000
Total Cost:	£8,000,000	£13,000,000

Figure 2 summarises the possible profit and loss for both the operator and for the Trust which owns the freehold.

Figure 2: Indicative Profit and Loss

	Medium Term	Permanent
Capital investment:	£8,000,000	£13,000,000
Loan taken by operator:	£1,650,000	£2,800,000
OPERATOR PROFIT AND LOSS		
Performances:	190	235
Gross Profit (turnover minus cost of goods sold):	£1,752,779	£2,751,043
Operating Expenses	-£1,229,541	-£1,847,780
Rent to Trust	-£245,389	-£385,146
Profit/Loss EBIDTA	£277,849	£518,117
Interest & amortisation:	-£229,878	-£390,096
Profit/Loss Before Tax:	**£47,971**	**£128,021**
PROFIT AND LOSS FOR THE TRUST		
Rent from Venue Operator & Hippodrome House:	£325,389	£485,146
Depreciation and admin costs:	-£253,333	-£483,333
Profit/Loss:	**£72,056**	**£1,813**

There are likely to be organisations, both commercial and non-commercial, that have a vision for how they might operate the building and for how the rest of the site might be used to complement that. It may include organisations, like Ambassador Theatre Group, that could envisage operating it for touring productions, or the Roundhouse in Camden, which might consider operating a “Roundhouse 2”.

STRATEGY

The strategy we suggest is a process of inviting submissions from organisations to put forward proposals on the assumption that there would be a large grant from Heritage Enterprise to cover the conservation deficit.

Submissions could be invited for two scenarios: assumption that the building would be leased for a short term period (perhaps 15 years) and that no fixed structures could be put in the service yard; and assumption that the building would be leased for a long term period (perhaps 99 years) and that there could be redevelopment of the yard and the fly tower. Priority could be given to entertainment-orientated solutions and to any options that can accommodate touring theatrical productions.

This should provide a selection of alternatives that stakeholders could choose from. The people of Brighton could, assuming that there is more than one acceptable choice, be given a chance to express their view.

It would be advantageous, in advance of doing this, to have a condition survey done and estimates, by a quantity surveyor, of the cost of making the building useable and of full restoration. This would give potential operators / developers a clearer understanding of the financial implications and provide support to a Heritage Enterprise application.

3 SITUATION ANALYSIS

This section summarises points which may have consequence in determining options for the site.

3.1 PHYSICAL CONSIDERATIONS

3.1.1 HISTORY

The Hippodrome was built as an ice rink, opening in 1897. It was enlarged and converted into a circus and theatre called The Hippodrome in 1901 by Frank Matcham, the most famed of theatre designers. Two adjoining houses, dating from the early 19th Century, were added in 1939 to provide lobby space and are called Hippodrome House. The Hippodrome and Hippodrome House are Listed Grade II*. Appendix 1 has the list description.

The building was most recently used as a bingo hall and has a flat floor in the stalls covering a sloping floor below.

A scheme for the development of the site was submitted by Alaska Development Consultants, on behalf of the owners, Kuig Property Investments Ltd in December 2013. It was approved in February 2014 by Brighton & Hove City Council. It covered both the Hippodrome and adjoining Dukes Lane. It included conversion of the Hippodrome and Hippodrome House into a 9 screen cinema with four restaurants; demolition of 11 Dukes Lane to provide new access to the site; and a two storey plus basement building on Ship Street. The scheme did not go ahead.

Following the sale of the site in two parts, Dukes Lane is now owned by KCC Pension Fund (managed for them by DTZ Investors). The Hippodrome site is owned by Academy Music Group (AMG), which wishes to sell it. It currently has permission for D2 (assembly and leisure) use.

3.1.2 THE SITE AND LOCALITY

Figure 3 is an overhead view of the site. Figure 5 shows its position in the Lanes area of Brighton. It shows how it adjoins an area that is dense with shops and places to eat and drink. The main east-west axis of the Lanes, formed by Duke Street – Ship Street – Prince Albert Street, is immediately north. The northern end of Ship Street is a key location. Improved public realm there would have a transformational impact on the area.

The strategy of Brighton and Hove City Council is to reduce vehicle traffic in the Old Town. A Public Inquiry was held in 2013 to examine its proposals. The Inspector supported a proposal to prohibit vehicles weighing over 7.5 tonnes using Middle Street and Ship Street between 11am and midnight.

Figure 3 and Figure 5 show how space occupied by parking/access for the Hippodrome and the adjoining Dukes Lane site forms a noticeable gap site.

Figure 3: The Hippodrome (Red) Dukes Lane (Blue) Saks House (Yellow)

The areas behind the Hippodrome and Dukes Lane have a negative impact on Ship Street because they break the street frontage, as Figure 4 shows. Planning officers would prefer building in that space to create active frontages.

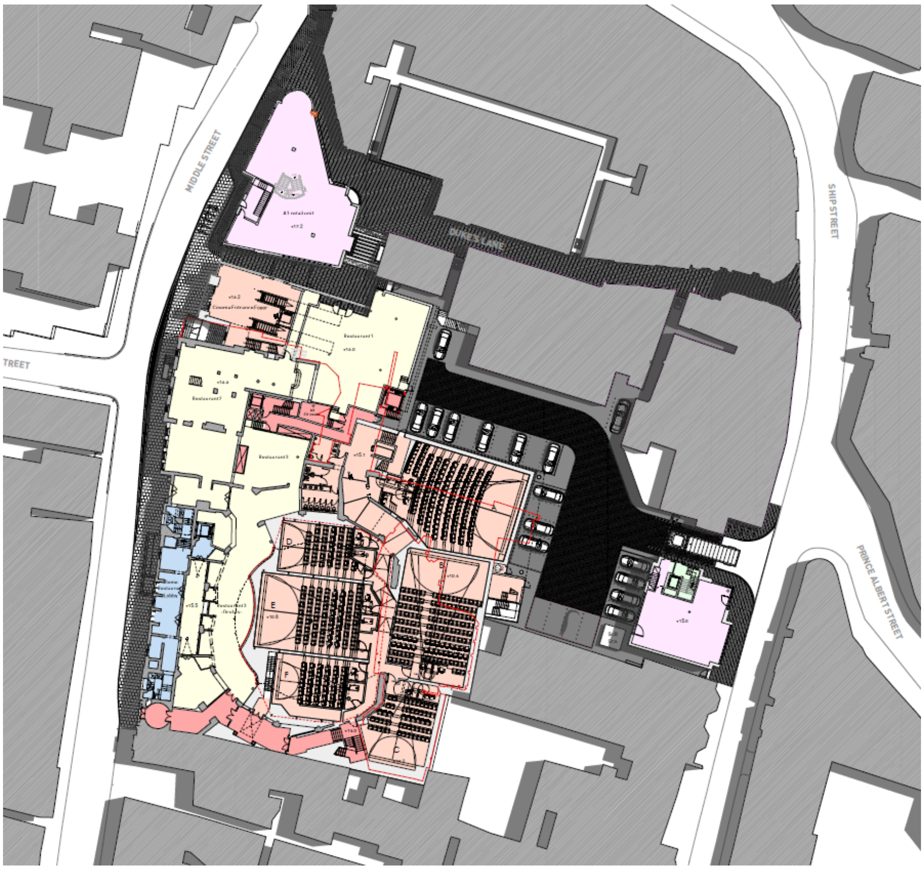
Figure 4: Gap in Ship Street streetscape from gates to Hippodrome & Dukes Lane

Figure 5: GOAD map showing the area

The adjoining Dukes Lane shopping centre was recently bought by KCC Pension Fund (managed by DTZ Investors). Their strategy is to encourage a similar type of retail offer as at Carnaby Street in London. They envisage small scale improvements and additions to the estate. They have no firm plans for physical change yet. They do not own the building north of their Ship Street entrance.

Combining the two sites under some arrangement that allows the Hippodrome site to be developed in conjunction with the Dukes Lane car park would provide flexibility to do more with both sites. The cinema scheme did this, as shown in Figure 6. A collaborative development could enable connections through the site and attractive public space within it.

Figure 6: Plan of the proposed cinema scheme for the site.



A complication is that 15 car parking spaces in Dukes Lane are currently demised to tenants/residents. They have agreed to let a further four spaces as part of a letting of office accommodation.

DTZ Investors have told us that they are happy to consider proposals for collaboration if there is mutual benefit. They would have preference for uses of the Hippodrome that attract types of people that would shop in their retail units during the day rather than uses that attract people during the evening. Uses that cause minimal noise and disruption would be preferred.

Acquiring Saks House (15-16 Ship Street), to the south of the Ship Street entrance, could also enhance the development options. It is owned by Wasp Properties Ltd, a local company. It is occupied by a hairdressing salon plus four flats that are on long leases. Zoopla values the flats at £1.8 million. The building has a footprint of about 400 m² and does not use the space in an efficient manner, especially at the rear of the site, which has two flats, one of which is owned by Academy Music Group. It is not a building of high quality. The owner has said that he would be interested in collaborating in a development project that involves both sites, although he would want to retain freehold ownership of his property.

The fly tower has height and bulk that exceeds other buildings in the area[4]. The Cinema scheme included a replacement of similar height and volume. Buildings on Ship Street are typically 3 storeys in height. Development could probably be no higher than currently, as was the case with the Cinema scheme.

Figure 7: Back of House

Approximate Spaces[5] are:

- The car park of the adjoining Dukes Lane property has a footprint of c.980 m²
- The car park of the Hippodrome has a footprint of c.460 m²
- Hippodrome House and Middle Street entrances have a footprint of c.720 m²
- Hippodrome House has a footprint of c.360 m²
- The fly tower and back of house have a footprint of c.550 m²
- Total development site including all Hippodrome site, except the auditorium building plus car park of Dukes Lane property = 2,700 m².

3.1.3 THE BUILDING

The character and potential of the building is much influenced by its origins as an ice rink and then circus. It was not designed as a proscenium theatre. Its round shape has practical disadvantages when it is used as such. The biggest is that it is impossible for all of the seats to see the stage in its entirety.

[4] A fly tower should ideally be at least twice the height of the proscenium arch of a theatre.
[5] Measured on ProMap

Foster Wilson architects prepared plans for Our Brighton Hippodrome showing a seating arrangement for the building laid out as a lyric theatre. They assumed that some seats at the edges of the stage would not be used because of poor sightlines.

The estimated capacity is 1,535 without those seats. Many of the remaining seats would still not be able to see large parts of the stage, however. Figure 8 shows the number of seats that would be able to see 75%, 50% and 25% of the back wall of the stage, assuming a stage of 12 m x 12 m. Figure 9 shows the effect in diagrammatic form. More than 25% obstruction represents, in our opinion, a major blockage. There would be complaints and seats would have to be sold at reduced price.

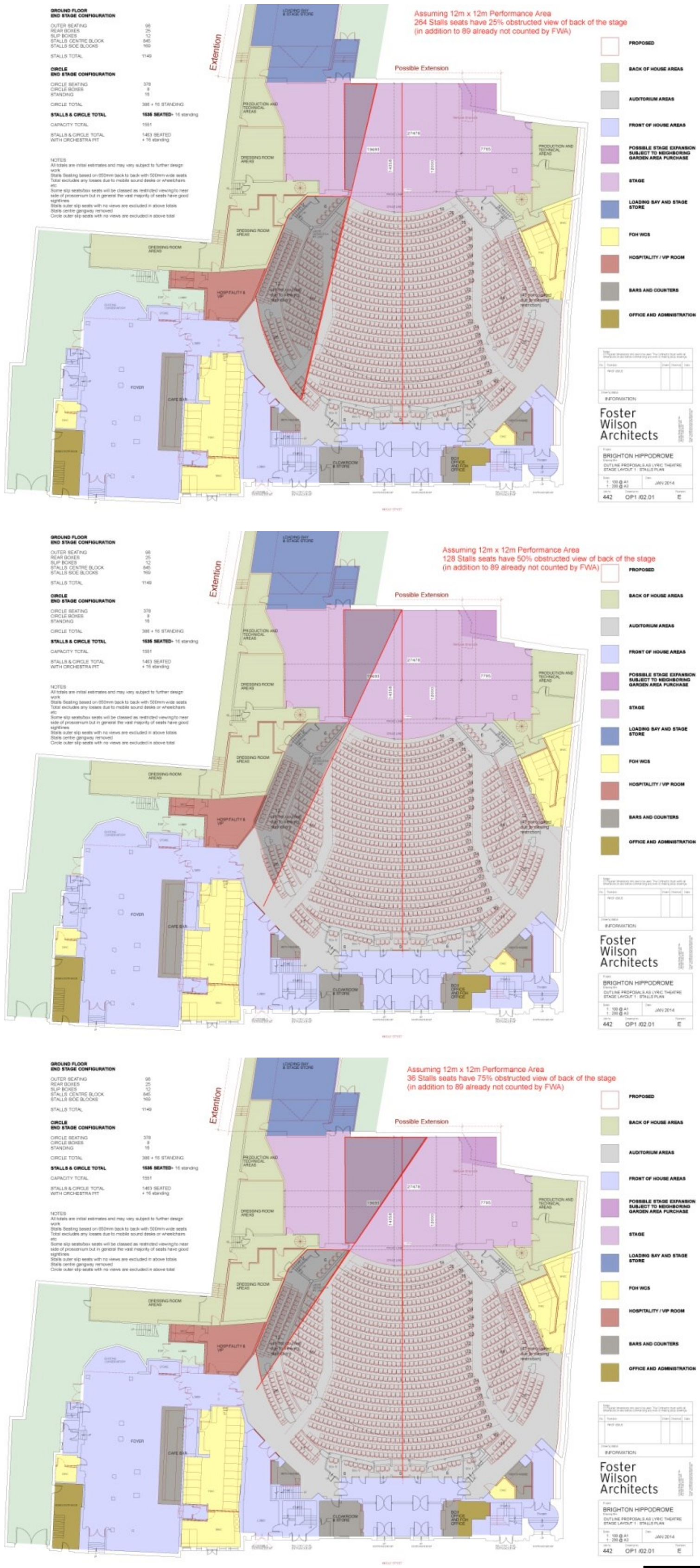
Figure 8: Seats with significant sight obstruction

	25% of back wall obstructed	50% of back wall obstructed	75% of back wall obstructed
Obstructed			
Stalls	264	128	36
Circle	150	68	8
Total	414	196	44
Unobstructed			
Stalls	885	1,021	1,113
Circle	236	318	378
Total	1,121	1,339	1,491
Total			
Stalls	1,149	1,149	1,149
Circle	386	386	386
Total	1,535	1,535	1,535

The foyers of the Hippodrome are roughly 215 m², which is equivalent to 0.14 m² per person (with 1,500 capacity). This becomes about 415 m² (c. 0.3 m² per person) with inclusion of space in Hippodrome House. Modern standards recommend 0.75 m² per person, about 1,125 m² to accommodate an audience of 1,500.

The building when laid out with a flat floor, as currently, forms a hall. There are many uses which can theoretically occupy an open space like this. They include flexible events venue, market, restaurant, shop, church, offices, storage, gymnasium, nightclub. Those that we think might be relatively serious options are discussed in Section 4.3.

Figure 9: Stalls seats that can see 75%, 50% and 25% of back wall



3.1.4 VEHICLE ACCESS FOR PRESENTING THEATRE[6]

Use of the theatre as a venue that can accommodate larger lyric touring productions requires access for modern articulated trucks, preferably two at a time. Since the venue was last used for live entertainment the preferred method of scenery haulage has moved from rigid Luton removal vans with cloth traps to much larger 16.5 metre (54 ft) 5 articulated trucks. This is an efficient, fast, practical and economic method for moving scenery and is used by most productions and haulage contractors. The service yard has enough space to accommodate articulated trucks. The difficulty is in getting them into the yard.

Aedas Arts Team concludes that the existing Hippodrome yard can work for 2 or 3 rigid 10 metre vans using the existing gate. The opening could be made a little smaller if it only accommodates that size of vehicle.

The existing gate could work for a 15.5 metre long 4 axle articulated truck as long as Ship Street is one way northward (i.e. the opposite direction to currently).

That would not be adequate for touring productions, however, because they use 16.5 m, 5 axle articulated trucks. Using the turning circles published by the FTA “Designing for Deliveries” 4 axle articulated trucks 16.5m long can back on to the site. The turning circle involves, however, widening the entrance in Ship Street, as Figure 10 shows. This would only work, therefore, if the entrance to the existing Hippodrome yard is combined with the entrance to the adjacent Dukes Lane car park site. Alan Baxter Associates, working pro bono for The Theatres Trust, reached the same conclusion.

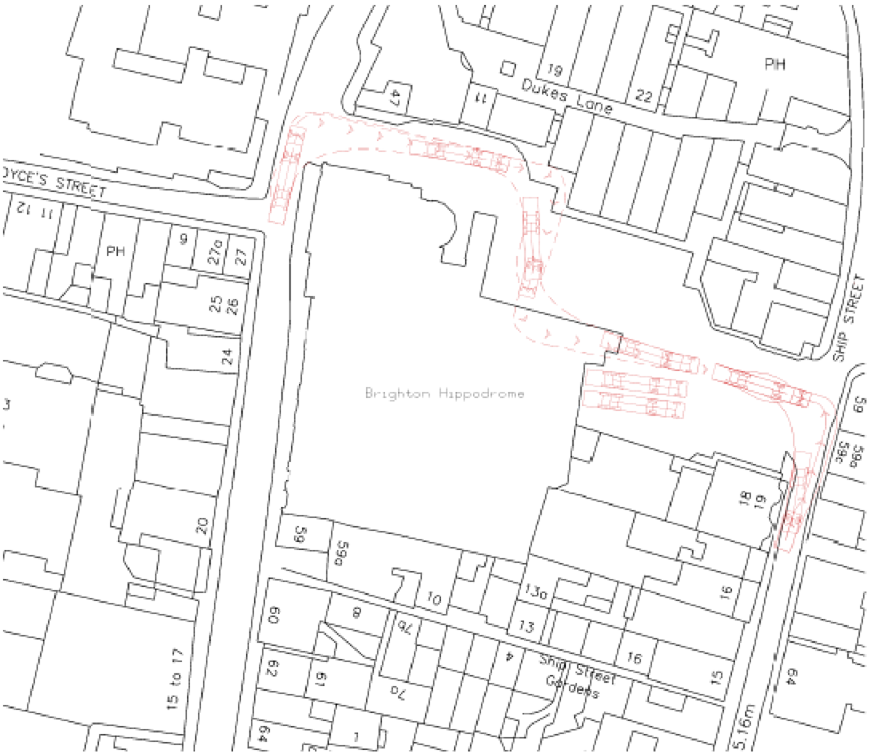
Figure 10: Illustration of access to the rear of the theatre for 16.5 m artic

[6] Specialist advice on this matter has been provided by Peter Roberts, former technical director and head of theatre development at Delfont Mackintosh

It is, in theory, possible to enable access by creating a private road from Middle Street to Ship Street. Trucks would turn into it in a forward direction. When inside the site they would reverse into the loading bay. They would then drive out via Ship Street in a forward direction. Figure 11 shows this. The turning circles involve widening the entrance on Middle Street and the exit at Ship Street. It could only be done as part of a comprehensive scheme to develop both sites. The road could be shared space, used as a thoroughfare by pedestrians and for vehicle movements associated with occupiers of both sites. There would, however, be little or no scope for additional development if access by large articulated trucks is required. This would make it difficult to persuade the owners of Dukes Lane to co-operate. DTZ Investors have said "We would be reluctant to release rights to the car park; as this would result in a loss of income and the loss of development potential to the Fund. We also have concerns on how the loading/unloading of the trucks will impact on the fire escape and quiet enjoyment of our tenants".

There would be serious compromises on health and safety grounds for sets to be carried from Ship Street as an alternative to vehicles reversing into the site[7].

Figure 11: Access for 16.5 metre articulated trucks through the middle of the site



A vehicle entrance to the site from Middle Street is wide and long enough for normal delivery vans, but not for large articulated trucks. That entrance is about 5 metres wide and could be extended to a width of about 7.5 metres by removing an extension to Hippodrome House. This would also improve the appearance of that

[7] Peter Roberts, former technical director and head of theatre development at Delfont Mackintosh Ltd, said he felt it would be inconceivable. He pointed out that scenery is steel and plastic these days not wood and canvas therefore much heavier.

elevation and could be used to create an attractive new entrance to Hippodrome House. The entrance is about 14.5 metres deep.

Figure 12: Entrance on Middle Street

Figure 10 and Figure 11 show that there is no room for enabling development if there has to be access to the stage house by large articulated trucks.

3.1.5 CAR PARKING

There are over 3,700 car parking spaces within a 10 minute walk of Brighton Hippodrome. They are shown in Figure 13. The Lanes and Churchill Square car parks are closest, about 5 minute walk away. Odeon customers currently get three hours free parking at the Churchill Square Gardens after 17:30 if they validate their parking ticket at the box office.

Getting to the Hippodrome from the Churchill Square shopping centre requires crossing West Street, which is the focal point of the city's "vertical drinking" offer. It can be an intimidating environment for people at night.

Figure 13: Spaces of main car parks in Brighton

*major car park, details unavailable

3.2 MARKET CONSIDERATIONS

3.2.1 LOCAL CATCHMENT

This section assesses the number and nature of people living in the catchment area of the Hippodrome using the Mosaic socio-demographic profiling system. There is more detail in Appendix 2.1. Mosaic[8] is a classification system used to understand the demographics, lifestyle preferences and behaviours of a population in a given area. It is founded on information from the 2011 census.

Mosaic categorises post code segments by type. The census information is supplemented by a large range of other information. It allocates households and people into 16 groups and then into 66 detailed types. Pareto's 80/20 rule applies in most locations – about 20% of the 66 types typically account for about 80% of the population in an area. It is most useful, therefore, to look at the profile of places using types rather than groups. Figure 14 shows areas that are covered by different journey times to Brighton.

[8] Which is owned by Experian, a large company that provides research inf

Figure 14: Drive time to Brighton Hippodrome

The main catchment area for an entertainment offer in the Hippodrome is likely to be roughly in the 30 minutes band[9]. Most people living in this area are likely to find Brighton the most convenient large place to go for entertainment, although there will be pull from competition at the margins. People living in places like Haywards Heath in the north are able to get to London quite quickly; those to the west are able to reach Chichester quite easily; those to the east are able to reach Eastbourne quite easily. Many people living further away come to Brighton for entertainment and other purposes, but the 30 minute band would account for at least 75% of visits by people visiting from home[10]. There are about 302,000 people in that area. The area is, overall, prosperous.

Figure 15 shows 16 Mosaic types in the 0-15 minute zone which have more than 3,000 people each. They account for 83% of the population. They are listed in order of most to least populous. The column called "Brighton versus National" shows how the proportion of people in the type concerned compares to the national average. An index of 200 means, for example, that Brighton has twice as many people in that type as the national average.

[9] Appendix 3.2.2 shows the location of audiences for the Theatre Royal in Norwich in 2013-4. 72% of the sales were in the city and the local authorities surrounding it, which are roughly equivalent to a 30 minute drive time.

[10] As opposed to tourists.

We asked Experian to give us a rating of the propensity of the Mosaic groups and types to visit theatre. They did this by using responses to a question asked in a large ongoing national survey undertaken by the research company TGI. It gives respondents a long list of activities of different types and asks them to identify which of them they have participated in at least once in the past 12 months. The column called Propensity to Visit Theatre shows the extent of theatre going by each Mosaic type by comparison to the national average. The rows that are shaded are types where "Propensity to Visit Theatre" is approximately twice or more the national average. These are "hot prospects" for a theatre offer at the Hippodrome, although there will be variation between the Mosaic types as to the precise type of theatre they like.

Figure 15: Mosaic types with more than 3,000 adult[11] residents within 15 minutes of Brighton Hippodrome

Mosaic Code	Mosaic Type	Description	Brighton Population	Brighton vs National	Propensity to Visit Theatre
I36	Solid Economy	Stable families with children renting better quality homes from social landlords	21,593	585	47
A04	Metro High-Flyers	Ambitious 20 and 30-somethings renting expensive apartments in highly commutable areas of major cities	20,856	1,892	264
G26	Cafés and Catchments	Affluent families with growing children living in upmarket housing in city environs	18,974	360	117
A02	Uptown Elite	High status households owning elegant homes in accessible inner suburbs where they enjoy city life in comfort	18,420	820	296
H30	Primary Ambitions	Forward-thinking younger families who sought affordable homes in good suburbs which they may now be out-growing	13,517	707	47
G27	Thriving Independence	Well-qualified older singles with incomes from successful professional careers in good quality housing	10,045	228	194
E18	Legacy Elders	Time-honoured elders now mostly living alone in comfortable suburban homes on final salary pensions	7,877	209	209
E21	Solo Retirees	Senior singles whose reduced incomes are satisfactory in their affordable but pleasant owned homes	6,919	254	100
F23	Family Ties	Active families with teens and adult children whose prolonged support is eating up household resources	6,480	369	74
K47	Streetwise Singles	Hard-pressed singles in low cost social flats searching for opportunities	5,891	996	76
L51	Aided Elderly	Supported elders in specialised accommodation including retirement homes and complexes of small homes	4,661	303	273
M54	Down-to-Earth Owners	Ageing couples who have owned their inexpensive home for many years while working in routine jobs	4,521	106	60
B06	Diamond Days	Retired residents in sizeable homes whose finances are secured by significant assets and generous pensions	4,209	112	261
K44	Inner City Stalwarts	Long-term renters of inner city social flats who have witnessed many changes	3,787	99	99
B05	Premium Fortunes	Influential families with substantial income established in distinctive, expansive homes in wealthy enclaves	3,209	73	191
K46	High Rise Residents	Renters of social flats in high rise blocks where levels of need are significant	3,131	170	109
	Hot Prospects for theatre:		69,277		
	Total adult population in top 6 Mosaic Types:		154,090		
	Total adult population:		186,711		

[11] The Mosaic numbers exclude people under the age of 18.

Perhaps the most notable feature of the profile for the 0-15 minute band is the large number of Metro High Flyers and Uptown Elite. These are high spending people who like cosmopolitan experiences.

Figure 16 has a similar analysis for the 15-30 minute zone. It includes Mosaic types with more than 5,000 people. They account for 81% of the population. It shows a big concentration of retired people and older families living in detached houses. The area also has a big population of younger families.

Figure 16: Mosaic types with more than 5,000 adult residents 15-30 minutes of Brighton Hippodrome

Mosaic Code	Mosaic Type	Description	Brighton Population	Brighton vs National	Propensity to Visit Theatre
H30	Primary Ambitions	Forward-thinking younger families who sought affordable homes in good suburbs which they may now be out-growing	26,871	947	47
I36	Solid Economy	Stable families with children renting better quality homes from social landlords	17,235	314	47
F23	Family Ties	Active families with teens and adult children whose prolonged support is eating up household resources	16,909	649	74
G27	Thriving Independence	Well-qualified older singles with incomes from successful professional careers in good quality housing	16,737	255	194
E19	Bungalow Haven	Peace-seeking seniors appreciating the calm of bungalow estates designed for the elderly	16,510	202	118
E18	Legacy Elders	Time-honoured elders now mostly living alone in comfortable suburban homes on final salary pensions	15,228	273	209
C10	Wealthy Landowners	Prosperous owners of country houses including the rural upper class, successful farmers and second-home owners	13,395	535	198
E21	Solo Retirees	Senior singles whose reduced incomes are satisfactory in their affordable but pleasant owned homes	11,373	282	100
L51	Aided Elderly	Supported elders in specialised accommodation including retirement homes and complexes of small homes	10,346	453	273
G29	Mid-Career Convention	Professional families with children in traditional mid-range suburbs where neighbours are often older	9,213	198	13
B06	Diamond Days	Retired residents in sizeable homes whose finances are secured by significant assets and generous pensions	8,250	148	261
B07	Alpha Families	High-achieving families living fast-track lives, advancing careers, finances and their school-age kids' development	8,123	506	48
B08	Bank of Mum and Dad	Well-off families in upmarket suburban homes where grown-up children benefit from continued financial support	8,103	179	174
D14	Satellite Settlers	Mature households living in expanding developments around larger villages with good transport links	7,881	470	105
J42	Midlife Stopgap	Maturing singles in employment who are renting short-term affordable homes	7,819	115	80
G26	Cafés and Catchments	Affluent families with growing children living in upmarket housing in city environs	6,910	88	117
F22	Boomerang Boarders	Long-term couples with mid-range incomes whose adult children have returned to the shelter of the family home	6,456	342	57
E20	Classic Grandparents	Lifelong couples in standard suburban homes enjoying retirement through grandchildren and gardening	6,145	384	76
G28	Modern Parents	Busy couples in modern detached homes juggling the demands of school-age children and careers	5,672	157	73
C13	Village Retirement	Retirees enjoying pleasant village locations with amenities to service their social and practical needs	5,134	139	159
	Hot Prospects for theatre:		77,193		
	Total adult population in top 20 Mosaic Types:		224,310		
	Total adult population:		277,000		

About 70,000 of the adults in the 0-15 zone, and about 77,000 in the 15-30 zone, are "hot prospects" for theatre.

Figure 17 compares the number of people living within 30 minutes of the Brighton Hippodrome with the number that live within 30 minutes of a selection of other theatres in the country which focus on taking large touring productions. It shows the number of people in each of the 16 Mosaic groups[12].

The number in the row "Weighted Theatre Catchment" is calculated by multiplying the number in each group by the "Propensity to Visit Theatre" and dividing by 100. The number of people in the Brighton catchment is significantly smaller than places like Wolverhampton and Bradford, but that is because they are in conurbations[13]. There is direct competition from other theatres in those conurbations. The 30 minute catchment for the Hippodrome is about 20% less than the catchment of the Mayflower in Southampton, but people in Brighton's catchment have a higher propensity to visit. The catchment for the Theatre Royal in Norwich, which has 1,300 seats and operates profitably, is about 30% less than for the Brighton Hippodrome and also has less propensity to visit theatre.

Figure 17: Comparison of the 30 minute catchment with a selection of other theatres that focus on touring productions

Mosaic Group	Propensity to Visit Theatre	Brighton Hippodrome	Grand Theatre, Wolverhampton	Bradford Alhambra	Mayflower Theatre, Southampton	Theatre Royal, Norwich
City Prosperity	348	40,489	629	2,303	3,998	1,703
Prestige Positions	158	41,356	65,538	76,909	92,825	13,689
Country Living	127	22,050	24,273	7,015	35,285	46,730
Rural Reality	89	12,450	14,275	8,081	15,854	59,479
Senior Security	116	69,582	139,087	133,810	78,066	47,298
Suburban Stability	91	41,010	114,252	101,327	57,390	22,648
Domestic Success	95	69,880	72,435	108,003	81,255	33,128
Aspiring Homemakers	71	58,825	193,176	176,320	92,815	36,462
Family Basics	45	43,046	214,742	157,032	46,842	20,231
Transient Renters	70	12,108	122,213	162,343	30,854	17,932
Municipal Challenge	87	16,608	91,661	71,730	21,698	13,566
Vintage Value	40	26,467	56,188	62,042	28,140	12,838
Modest Traditions	58	10,118	5,059	5,059	5,059	5,059
Urban Cohesion	132	0	0	0	0	0
Rental Hubs	137	0	0	0	0	0
Totals		463,989	1,113,528	1,071,974	590,081	330,763
Weighted Theatre Catchment:		530,265	907,886	895,310	581,115	314,202

Source: Experian Mosaic UK Profile Report

3.2.2 TOURISTS

Brighton is a significant tourist destination.

Appendix 3.2.2 summarises the tourist market.

[12]i.e. the top Mosaic categorisation.

[13] Bradford is in the Leeds-Bradford conurbation, Wolverhampton is in the Birmingham conurbation.

About 1 million people visit Brighton annually for a short break or to visit friends and relatives. They stay, on the whole, for a relatively short period, although a substantial number of people from overseas stay for a long time.

The city attracts about 10 million day visits annually, made up of a combination of people visiting from home, split almost evenly between other places in the South East and London, and people visiting while they are taking a holiday or short break in the area or in London.

About 10% of visitors say that they currently go to a film or live performance during their stay.

Almost all visitors go to the seafront, and most of them spend a significant amount of money in restaurants and bars. Visitors particularly like the cosmopolitan and vibrant atmosphere of Brighton, but are relatively unimpressed with the quality of the public realm and the quality of restaurants.

3.2.3 THEATRE

There is information about the UK theatre market in Appendix 3.1. It has examples of the type of theatre that the Hippodrome could be if it was restored to be a lyric theatre that focused on staging larger touring productions, and also if it had flexible seating so that it could accommodate a wider variety of events.

There are three large venues for live performance in Brighton currently: the Dome/Corn Exchange, the Theatre Royal and the Brighton Centre.

There is little potential overlap with the Brighton Centre, or a proposed replacement at Black Rock, because it is a much larger size.

The Dome is also a round auditorium. The stalls area can either be a flat floor or tiered seating. It has capacity of 1,500 seated and 1.800 with a standing audience. It does not have a proscenium arch, stage and fly tower.

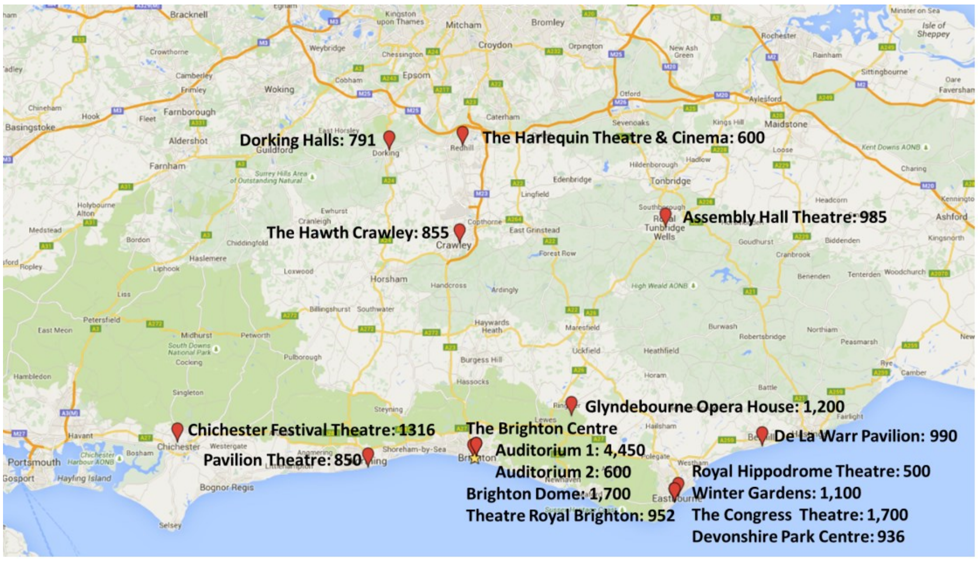
The Dome complex is shortly to benefit from a £19.5 million investment. £5 million has been obtained from the Heritage Lottery Fund, with additional funding coming from Arts Council England and via the Local Economic Partnership. The investment will focus on restoring and upgrading the Corn Exchange. It will give the Corn Exchange capacity for performances for up to 500. It will also enhance its quality and effectiveness as a venue for events like functions, markets and conferences. The capability of the Dome for conferences will be much enhanced.

That investment will be the first of three phases of investment in the Royal Pavilion complex. The second will be investment in upgrading Pavilion Gardens. It will connect the Dome Complex to the gardens.

The Theatre Royal is owned by the Ambassador Theatre Group. It has a capacity of 960, with a substantial number of seats that have sight constraints.

Brighton does not currently have a venue able to accommodate major touring productions, including musicals, opera and ballet. The Dome, which is a flexible concert hall, does not have a proscenium arch, fly tower and wings. It is, therefore, unable to accommodate most larger touring productions for technical reasons. The Theatre Royal is too small to cater for these productions both in terms of physical space and in terms of being able to accommodate large enough audiences. The Mayflower in Southampton is the closest venue that has a full programme of such productions. It is about 1hr 45 mins drive from Brighton. The Congress Theatre in Eastbourne stages some and is likely to stage more when a proposed refurbishment programme is complete.

Figure 18: Large theatres (500+ seats) within 1hr drive of Brighton Hippodrome



Theatre	Seats	Ownership	Distance from Brighton Miles	Minutes (car)
Theatre Royal Brighton	952	Ambassador Theatre Group	IN BRIGHTON	
Brighton Dome	1,700	Charity	IN BRIGHTON	
The Brighton Centre Auditorium 1	4,450	Brighton & Hove City Council	IN BRIGHTON	
The Brighton Centre Auditorium 2	600	Brighton & Hove City Council	IN BRIGHTON	
Glyndebourne Opera House	1,200	Glyndebourne Productions Ltd	13	29
Pavilion Theatre	850	Worthing Borough Council	14	37
The Hawth Crawley	855	Crawley Borough Council	23	39
The Congress Theatre, Devonshire Park Centre	1,700	Eastbourne Borough Council	22	58
Devonshire Park Theatre	936	Eastbourne Borough Council	22	58
Winter Gardens	1,100	Eastbourne Borough Council	22	58
Dorking Halls	791	Mole Valley District Council	39	58
The Harlequin Theatre & Cinema	600	Reigate & Banstead Borough Council	35	60
Royal Hippodrome Theatre	500	Eastbourne Borough Council	22	61
De La Warr Pavilion	990	Charity	32	64
Assembly Hall Theatre	985	Tunbridge Wells Borough Council	33	68
Chichester Festival Theatre	1,316	Chichester Festival Theatre	37	71

The Theatre Royal in Norwich is a good measure for what the Brighton Hippodrome could be like if it was operated as a lyric theatre that focused on larger touring productions. It has 1,300 seats. It is operated independently as a charitable trust. It produces a detailed Annual Survey with information about its performance. There is key information from this in Appendix 3.2.2. It made a surplus of £747,000 before depreciation in 2013/4, up from about £552,000 the previ

19 shows the nature of its programme and the contribution made from ticket income retained by the venue. The items shaded are those where there could be overlap in Brighton with existing venues.

Figure 19: Performances at the Theatre Royal Norwich, 2013-4

	Performances		Productions		Performances per	Seat	Ticket income retained by theatre	
	No	%	No	%	Production	Occupancy	Amount	%
Musicals	107	26%	12	13%	8.9	85%	£484,095	24%
Pantomime	58	14%	1	1%	58.0	80%	£472,236	23%
Dance	62	15%	14	15%	4.4	73%	£293,148	14%
Quality Drama	52	12%	7	7%	7.4	75%	£241,235	12%
Personality Concerts	28	7%	21	22%	1.3	78%	£160,379	8%
Family/Children	34	8%	9	9%	3.8	71%	£94,072	5%
Popular/Comedy Drama	35	8%	5	5%	7.0	61%	£91,231	4%
Standup Comedy	12	3%	10	10%	1.2	98%	£69,381	3%
Amateur	15	4%	6	6%	2.5	57%	£52,000	3%
Concerts	7	2%	7	7%	1.0	84%	£42,828	2%
Opera	5	1%	1	1%	5.0	72%	£27,804	1%
Big Band/Orchestral	3	1%	3	3%	1.0	33%	£5,359	0%
Total:	418	100%	96	100%	4.4	72%	£2,033,768	100%

Source: Norwich Theatre Royal Annual Survey 2013-4

The Norwich Theatre Royal's figures confirm national research which shows that musicals are the most popular form of theatrical event. They accounted for 56% of admissions to performing arts (excluding live music) in London in 2013[14].

Figure 20: Attendances at London Theatres by genre 2013

	(000)	*%*
Musicals	8,198	56.2%
Plays	4,248	29.1%
Dance	946	6.5%
Entertainment	630	4.3%
Opera	520	3.6%
Performance	45	0.3%
Total	14,587	100.0%

Source: SOLT/Mintel

The touring circuit for musicals is vibrant at the moment. Figure 21 shows major musicals that are touring or known to be going on tour in the short-medium term.

[14] See Appendix 3.1

Figure 21: Major musicals touring or shortly to tour

Production	Producer	Dates
Barnum	CML + Michael Harrison	Touring from Sept 2015
Billy Elliott	TR Plymouth + ?	Feb 2016 then touring
Breakfast at Tiffanys (new)	Leicester Curve	March 2016, then touring
Chicago		Touring from Feb 2016
Chitty Chitty Bang Bang	WYP/Music and Lyrics	Dec 2015, then touring
Dirty Rotten Scoundrels	Jerry Mitchell Prods + ATG	Currently on tour
Glenn Miller Story (new)	Bill Kenwright	Opens end Aug 2015, then touring
Guys and Dolls	CFT + ?	Tours from Nov 2015 incl West End
Jersey Boys	Touring from Aug 2015	Touring from Aug 2015
Jesus Christ Superstar	Bill Kenwright	Touring from Sept 2015
Mamma Mia	Little Star Productions	Touring from March 2016
Mary Poppins	CML/Disney	Touring from Oct 2015
Matthew Bourne's Sleeping Beauty	New Adventures	Touring from Oct 2015
Shrek the Musical	Dream Works Theatrical	Currently on tour
Sister Act	Jamie Wilson/Leicester Curve	Touring from July 2016
Sound of Music	Bill Kenwright	Currently on tour
The Bodyguard	David Ian Prods	Currently on tour
Thriller Live	Flying Music	Touring from Oct 2015

Source: Peter Morris

3.2.4 OTHER USES THAT MIGHT TAKE PLACE AT THE HIPPODROME

RESTAURANT. There appears to be a gap in the market for eateries towards the upper end of the market and offering a degree of theatre. Brighton has many restaurants both in the branded and independent sectors, but lacks “destination restaurants”, of which there are many in London. See Figure 22. Côte, opposite the Dome, is perhaps the closest there is and, we understand, trades well. Brighton, generally, seems to have less restaurants at the upper-middle end of the market than its catchment and success as a destination seem to warrant.

Figure 22: Number of restaurants in the Good Food Guide compared to a selection of other cities

City	*Count*	*Featured in top 50*
London	370	17
Edinburgh	26	2
Bristol	16	2
Manchester	15	1
Bath	13	0
Brighton	8	0
Leeds	5	0
York	4	0

Source: The Good Food Guide 2015

The area around the Hippodrome is known as a place for restaurants, especially on the Ship Street side, where there are restaurants like Jamie's Italian, Zizzi and Hotel du Vin. There would probably be good demand for a unit suitable for a restaurant on the Ship Street frontage. Figure 23 shows the size, lease terms and rent, at the start of the lease, of a selection of large restaurants in central Brighton.

Figure 23: Sample of large restaurants in central Brighton

Restaurant	Location	Lease Date	ase Length (yea	Size m²	Rent at start of lease	£ per m²	£ per sq ft
Immediate Area							
Zizzi	7-8 Albert Street	2013	Unknown	304	Unkown		
Jamies Italian	11-13 Black Lion St	2007	25	412	£105,000	£255	£24
Nandos	34 Duke Street	2013	Unknown	242			
Cultural Quarter Area							
Cote	115-6 Church Street	2010	20	580	£85,000	£146	£14
Strada	North Street	2006	20	671	£170,000	£253	£23
Bills	115-116 Church St	2009	10	373	£45,000	£121	£11
Wagamama	30 Kensington St	2004	25	499	£97,500	£195	£18
All Bar One	2-3 Pavillion Place	1999	25	463	£125,000	£270	£25

Source: CoStar Focus

GOURMET FOOD MARKET / FOOD COURT. There also appears to be a gap in the market for a modern-style food market that takes cues from places like Borough Market and San Francisco's Ferry Building. The nature of the local population and also the type of tourist that comes to Brighton suggests that a food market done with style could be very popular.

CONFERENCE DINNERS AND BANQUETS. There is a good market for this. The Dome is able to accommodate such events. Its ability to do is compromised to some extent by its arts programming, but its attractiveness will be considerably enhanced on completion of the current development project.

BOUTIQUE CINEMA. The permitted scheme for the building, which involved converting it to a restaurant and cinema, was, understandably, considered unacceptable by many stakeholders. Its methodology was also probably unviable because of the cost of the interventions in the historic building. There probably is a market in central Brighton, however, for a small "boutique" cinema with between 3 and 5 screens, of the type operated by Picturehouses, Everyman and Curzon. These show mainstream films plus more specialist films than the mainstream multiplex operators (Odeon, Vue and Cineworld). The main difference is the nature of the experience. The boutique cinemas target a more "grown up" audience. They provide bars, restaurants and comfortable seating. It would not be appropriate or sensible to put cinema screens in the auditorium, but it might be possible to build the screens for a boutique cinema as part of an extension. It could have a good fit with other uses of the auditorium, including enabling occasional films and live projections to be shown in the main auditorium. There is information about the market in Appendix 4.2.

RESIDENTIAL. The market for any apartments that could be built as part of an enabling development is strong. It is probably the use that would generate the most value. There is information about this at Appendix 4.4.

HOTEL. The hotel market in Brighton is also currently strong, with considerable investment taking place. The Hippodrome would be a good location for a hotel. There is more information about this at Appendix 4.5.

3.3 DELIVERY CONSIDERATIONS

3.3.1 OUR BRIGHTON HIPPODROME (OBH)

This group has led a campaign for restoring the Hippodrome as a theatre. It has formed a Community Interest Company called Brighton Hippodrome CIC as a vehicle for delivering its strategy. OBH produced a Viability Study and the CIC has evolved it into a business plan. Foster Wilson Architects produced (at no charge) illustrative plans for the venue. Foster Wilson Architects also did plans for the music venue planned by AMC.

It is envisaged that a theatre operator would run the venue.

The strategy outlined in the business plan is for the Hippodrome to become a "state of the art receiving and producing house". It envisages the auditorium being used in four main configurations: end stage lyric theatre (capacity 1,535), thrust stage (capacity 1,425), in the round circus (capacity 1,500) and flat floor. The CIC calls this a "multivalent performance and events destination' (MPED). It requires a flexible seating system. It is a similar situation to modern theatres like the Milton Keynes Theatre and the Waterside Theatre in Aylesbury (summarised in Appendix 3.2.3).

The business plan envisages that key elements of the programme could be: 12-14 touring musicals a year, staying 1-2 weeks; touring drama, including the Royal Shakespeare Company, playing on thrust stage arrangement; a summer season of revivals and musicals aimed at tourists; variety shows created in partnership with an independent producer and going to tour other seaside venues; touring opera (e.g. English Touring Opera and Welsh National Opera); touring ballet (e.g. English National Ballet, Northern Ballet and New Adventures Company); touring circus (e.g. Cirque du Soleil); a high class Pantomime; Comedy; Film and Event Cinema; sporting events like boxing, snooker and darts; conferences and events associated with conferences; flat floor events ranging from markets to ballroom dancing; community activities ranging from amateur theatre to weddings. There is also an aspiration for a studio theatre in which smaller scale productions can take place.

The main elements and revenue drivers in the programme are similar to that of other theatres on “The Number 1 Touring Circuit” (see Appendix 3.2). Many of the theatres in that circuit are operated by Ambassador Theatre Group (ATG)[15].

Some theatres on the circuit operate on a commercial basis and make a profit. Figure 24 show the results posted by the Norwich Theatre Royal[16] and the Southampton Mayflower for the past two financial years[17]. The 1,400 seat Milton Keynes Theatre, which is very flexible, is understood to make surpluses of more than £500,000 per annum. Ambassador Theatre Group is very profitable and it can be assumed that the venues which it owns itself are profitable.

Figure 24: Surplus reported in annual accounts

	Seats	2012/3	2013/4
Norwich Theatre Royal	1,300	£461,394	£612,850
Southampton Mayflower	2,300	£772,000	£365,000

Others receive a subsidy, including the Waterside in Aylesbury. The 14 theatres that the Theatre Royal Norwich benchmarks against have an average annual subsidy from their local authority of £450,000. The Theatre Royal in Newcastle and the Grand in Wolverhampton, which have 1,300 and 1,200 seats respectively, have annual grants of £500,000 and £450,000 respectively. About 50% of regional theatres which Ambassador Theatre Group manage on behalf of local authorities receive a subsidy from the local authority. Those subsidies range from about £200,000 to £700,000 per annum. The subsidies tend to be higher for smaller venues than larger venues.

Most theatres that produce work themselves and engage in substantial educational and community activity require subsidy. Appendix 3.1 has a list of the subsidies which Arts Council England (ACE) provides to English theatres.

3.3.2 CAPITAL COST

It is difficult to estimate the cost of works to restore the building as a theatre, or for other use, because we do not know what condition it is in. A key factor is whether the fly tower has a grid able to support modern productions and, therefore, whether it could be refurbished or would have to be rebuilt. The Mayflower Southampton recently spent £6 million improving its backstage.

Our Brighton Hippodrome’s Viability Study includes an indicative estimate of the cost of restoration of the Hippodrome for live performance by quantity surveyors

[15] See Appendix 3.2.1.

[16] The Norwich Theatre Royal produces an Annual Survey which reports in detail on its performance and also contains a comparison with 14 other theatres of its size and type in the UK. It is summarised in Appendix 3.2.2.

[17] Their accounts are in the public domain because they are run by charities and, therefore, have to submit accounts to the Charities Commission.

Burnley Wilson Fish[18] based on plans by Foster Wilson Architects. They estimated £12m, plus £3.6m for design reserve, 10 per cent contingency and professional fees, making a total of £15.6 million[19]. This included upgrading the stage housing and the construction of a new scene dock at the rear of the building.

Colliers is currently working on a scheme for restoration of the Grade II* listed former Carlton Cinema in Islington, London, built in 1930. It has an ornate interior and is also in relatively poor condition. It has a capacity of 2,200. Architects, Haworth Tomkins have prepared a scheme for restoration and it has been costed by Bristow Johnson cost consultants. Their estimate is £12.3 million at current prices. It does not include a stage and it has simple tiered seating.

The cost of making the Hippodrome a fully functional lyric theatre that is able to take larger touring productions on a commercial basis will unquestionably be much higher than this. The stage house will probably have to be largely or entirely rebuilt, as will Hippodrome House. The cost of putting in a new seating system would also be expensive. It will also need substantial working capital to provide guarantees to producers and cover losses while it establishes an audience. It is likely to be no less than £25 million. £30 million is more likely.

3.3.3 FUNDING

HERITAGE LOTTERY FUND

The Heritage Lottery Fund (HLF) is the main source of grants for the restoration of historic buildings.

It is possible that an application could be made to their major grants programme or to their Heritage Enterprise scheme (HES). HLF has suggested that Heritage Enterprise may have the most potential. They advise that Heritage Grants is more suited to projects that would, in effect, create a heritage attraction and involve conservation and display of artefacts. The Hippodrome would face difficult competition from other projects. Heritage Enterprise is, by contrast, suited to a project where the heritage asset will operate commercially. The HES can be used to purchase the site.

There is a two stage application process for both programmes. The first round does not require a large amount of detail. An application for development funding can be made in the first round. That can be used to undertake much of the detailed work that is required for the planning and listed building consent applications.

Applications to the Heritage Grants programme for up to £5 million are considered at regional level. Applications for more than £5 million are considered at national level and compete against prestigious schemes from around the country.

[18] April 2014.

[19] This excluded site acquisition costs, inflation, client costs and VAT.

Applications for grants of £2-£5 million are considered on a quarterly basis. Upcoming deadlines are: 8 Oct 2015 for a decision in Jan 2016; 10 Dec 2015 for a decision in Mar 2016; 11 Feb 2016 for a decision in May 2016. Applications for grants of over £5 million must be made by 1 Dec 2015 for decision Apr 2016.

Grants of up to £5 million can be made through Heritage Enterprise.

- The intention of the programme is to cover the conservation deficit, which is cost that is attributable to heritage that prevents a building from being developed on a commercial basis.
- The guidance states that "by closing the gap (i.e. meeting the conservation deficit) we hope to encourage greater private sector involvement with many Heritage Enterprise projects, working in partnership with community organisations to deliver commercially viable projects. The involvement of the private sector is not mandatory, but it is encouraged".
- Applications have to be made either by not-for-profit organisations or a partnership led by a not-for-profit organisation.
- The type of arrangement it envisages is a not-for-profit organisation holding the freehold and providing a long lease to one or more profit-making concerns. It would use rental income from the operation to invest in long term maintenance of the building.
- Heritage Enterprise can fund purchase of the building. It can make a grant for emergency repairs while the development is being planned.
- It is possible to apply for a start-up grant of up to £10,000 prior to making a first-round application. This could be used to undertake surveys and create a development partnership. They take 8-10 weeks to approve an application.
- The first round application requires an indicative viability assessment so that an estimate of the conservation deficit can be made.
- The timing for grants of £2 - £5million is the same as for the major grants scheme outlined above.

Brighton is making three applications to HLF for £5 million each for work to the Royal Pavilions Complex. First-round approval has been obtained for the first stage. HLF anticipates supporting the second and third stage. Other applications are being made in the city for Stanmer Park, Saltdean Lido and Volks Railway.

A grant requires matching funding of at least 10%[20]. The higher that it is, the better. Few schemes get 90% of funding from HLF.

[20] It is 10% of the conservation deficit for the Heritage Enterprise programm

ARTS COUNCIL ENGLAND

Arts Council England (ACE) makes grants for investment in cultural facilities. It will have £43 million for the second round of the (2015-18) large scale capital programme, although no timescale is in place for this. Its current strategy is to invest in upgrading the facilities of organisations that it provides revenue funding to (e.g. NPOs). Non-NPOs need to get permission to apply for the programme. It has, in line with this policy, made a large grant to the restoration of the Dome complex. The most likely opportunity seems to be for a relatively small application to purchase equipment that would make the venue effective in staging productions.

OTHER GRANT GIVING

There are grant making trusts which give donations to projects like this. They include The Foyle Foundation, Garfield Weston Foundation, The Monument Trust, and The Andrew Lloyd Webb Foundation. Grants from sources like this normally represent an important, but relatively small, proportion of the total capital funding required for a large cultural project.

Some of these trusts provide funding for social enterprises and may be relevant if there is a strong social enterprise dimension to the scheme. There is a list of funding available to social enterprises on the web site of the Big Capital Bank. http://www.bigsocietycapital.com/open-funds

ENABLING DEVELOPMENT

Commercial development could take place on the service yard and on the site of the fly tower. Funds from that could go towards restoring the historic building.

There is a formal principle in planning law relating to Enabling Development. It allows a scheme that would normally be in contravention of planning policy to be permitted because the proceeds will be used to restore and sustain a heritage asset at risk.

A residential scheme on the site could have high value. The indicative scheme for the site outlined in Section 6.5 identifies about 2,000 m² for development. Figure 25 is an estimate of how much profit this might generate as residential. It would, in practice, probably be a restaurant at ground floor[21] and residential above. It does not include provision for affordable housing and other S106 or Community Infrastructure Levy contributions that might be required[22].

A hotel would probably also deliver good development value. The indicative scheme outlined in Section 6.5 envisages a hotel of about 50 rooms plus bistro, which is similar in size to the Hotel du Vin. An extra 30 rooms might be added by purchasing Saks House. The company which owns Hotel du Vin and Malmaison

[21] And including a basement.

[22] An argument for not being required to make them would be made on the grounds that the proceeds are being used to benefit the public by restoring the herit

has recently been sold for £355 million, which is £170,000 per room. The same price per room would value a new 50 room hotel at the Hippodrome at about £8.5 million or an 80 room hotel at about £14 million. It might cost £2,000 per m², c. £4 million for 50 room version.

Hippodrome House could, theoretically, be sold in order to provide funding but this is not advised. It is suited to restaurant-bar operation and a more optimal solution, assuming it is not needed for lobby and other facilities such as toilets for the theatre, would probably be for it to be leased to a bar-restaurant operator.

Figure 25: Indicative development value of residential in the service yard and over new stage area[23]

	Area m²	Per m²	Per Apartment	% of Cost	% of GDV	Total
GROSS DEVELOPMENT VALUE						
Gross Floor Area (m²):	2,000					
Net Floor Area (80%):	1,600					
Average apartment size:	75					
Apartments	21					
Selling price:		£5,500	£412,500			£8,800,000
DEVELOPMENT COSTS						
Planning Fees:						£100,000
Construction cost:	1,500	1,700				£2,550,000
Construction contingency:		5%				£127,500
Professional fees:		10%				£267,750
Total construction cost:						£3,045,250
Marketing costs:					1%	£88,000
Agents fees:					1.5%	£132,000
Legal fees:					0.5%	£44,000
Interest on development cost:				6.0%		£182,715
Finance arrangement fee:				1.5%		£45,679
Total marketing & finance costs:						£492,394
Developers Profit:				25.0%		£761,313
Total Costs:						£4,298,956
Profit:						**£4,501,044**

BORROWING

The Local Government Act 2003 introduced new flexibilities for local authorities. One was to borrow to invest in capital works and assets so long as the cost of that borrowing was affordable and in line with principles set out in a professional Prudential Code, endorsed by the Chartered Institute of Public Finance and Accountancy. “Prudential Borrowing” allows a council to borrow at preferential rates from the Government if it is certain that savings/additional revenue that would result would cover interest and repayment of the capital. Most loans are supplied by the Public Works Loan Board (PWLB). It lends to local authorities and other public bodies. It currently offers a fixed rate of about 3.6% for a 25 year loan[24].

[23] Not a valuation done in accordance with Red Book and should not be used for that purpose.

[24] http://www.dmo.gov.uk/reportView.aspx?rptCode=D7A.2&rptName=787f73ac cbe5-4231-9dfc-64b6006aabdd||PWLB%20(2)&reportpage=Current_PWL

Provision has to be made for repaying capital (called amortisation). This would require active involvement by Brighton and Hove Council.

Either an operator or the trust could borrow money from a bank or from social investment/charity investment sources.

COMMERCIAL OPERATOR

The Ambassador Theatre Group is the only organisation with a record of owning theatres in the regions and with the resources to invest in such a project on a commercial basis. We asked Sir Howard Panter, joint chief executive and creative director, who said "Having looked into it a little at our end, I think there may have been a bit of a misunderstanding along the way. Simply, with the Theatre Royal Brighton to look after, we can't see how the Hippodrome would work with us as well".

OTHER

There might be an opportunity for a community share offer and crowd funding, especially if there is a prospect of the development making a commercial return.

4 OPTIONS FOR AUDITORIUM

This section outlines options for uses of the auditorium and Hippodrome House.

4.1 AUDITORIUM OPTION 1: COMMERCIAL THEATRE

These options are for use of the building mainly as a presenting theatre. Appendix 3 has information about this type of operation and other venues that are similar.

4.1.1 AUDITORIUM OPTION 1A: FIXED SEATING LYRIC THEATRE

CONCEPT

- The auditorium would be set up with c.1,500 tiered seats, 1,350 of which have reasonable sightlines for productions that use the depth of the stage.
- It would have an orchestra pit and option for thrust stage.
- The stage house would be rebuilt to include fly, dressing rooms and other back of house facilities. It would include a covered loading bay that could accommodate 2 articulated trucks.
- Hippodrome House would be rebuilt behind its façade, incorporating the space occupied by the former elephant entrance. That could be the main entrance to the theatre. The structure would include a restaurant-bar and crush bars.
- The main purpose of the venue would be to stage larger touring productions. Main elements of the programme would be:
    - A pantomime
    - Touring musicals, typically playing for two weeks
    - Seasons by companies such as the Welsh National Opera, Northern Ballet and English Touring Opera
    - One night stands by pop bands and comedians
    - 3 weeks of Festival Events.

ADVANTAGES

- It would fill a clear gap in the Brighton market, one that represents the most popular form of theatrical experience.
- Many local people have already shown that they support the idea.
- It would be similar to the building’s use for many years as a variety theatre.
- It should be able to generate an operating profit.
- It would provide a major stimulant to restaurants and bars.

DISADVANTAGES

- A substantial proportion of the seats would not be able to see the full stage.
- It is difficult, perhaps impossible, to make it accessible to trucks that deliver modern touring productions.

- It probably needs construction of a new fly tower and foyers, at high cost and involving reconstruction of a listed building.
- There is no obvious source of funding for the amount of money needed.
- There is no potential for commercial development that could make a contribution to saving the heritage asset.
- There is likely to be some overlap with the Dome and the Theatre Royal.
- The gap in street frontage on Ship Street would remain.

4.1.2 AUDITORIUM OPTION 1B FLEXIBLE SEATING LYRIC THEATRE

CONCEPT

- This would be as Option 1A, except that there would be a flexible seating system in the stalls that would enable it to be reconfigured as a theatre in the round or with a deep thrust stage.

ADVANTAGES

- This would enable the theatre to accommodate a wider range of types of performances and events, including activities that take place on a flat floor like pop concerts, banquets and markets.

DISADVANTAGES

- An automated seating system able to do this would be expensive. It is more complex to do it in a round building than a rectangular one.

4.2 AUDITORIUM OPTION 2: FLAT FLOOR MULTI-PURPOSE EVENTS VENUE

4.2.1 OPTION 2A: MULTI PURPOSE EVENTS VENUE

CONCEPT

- The stalls area would have a flat floor.
- It would sometimes be used for events that take place in the auditorium. This could include:
  - Concerts and theatre in the round and on a thrust stage
  - Exhibitions
  - Banquets, including conference dinners
  - Social dancing
  - Wedding receptions
  - Asian weddings
  - Markets (e.g. specialist markets, craft markets etc.).
- It would also be used for stage-orientated events, including:

- Music concerts
- Conferences
- Drama.

- Hippodrome House would be reconstructed to incorporate bars and a restaurant. The kitchen would be organised so that it can serve banquets in the auditorium.
- This could be the final approach, or it could be a the first stage in the restoration of the building as a lyric theatre.

ILLUSTRATION

The Troxy is a Grade II* listed former cinema that now operates as a conferencing and events venue. It is located in Limehouse in London, a short walk from Limehouse DLR station, which is between the City and Canary Wharf. The building originally opened in 1933 with 3,520 seats. It closed in 1960 as a result of war damage and the general decline of the area. It was used as the London Opera Centre, a school for the training of opera singers between 1963 and 1977. It was then converted for bingo, with the stalls flattened.

Figure 26: Banquet layout at the Troxy, Limehouse

The current owners bought it in late 2005 for just over £1 million. They spent some money on refurbishment but, other than removal of the bingo seating (except in the front of the circle), it is largely in the form that the bingo operation required. It currently has a capacity of 2,600. It is used for a mix of conferencing, functions, banquets, exhibitions and live events. A separate space, the White Room can hold 250 people standing. There are four bars, two of them on either side of the stalls (to the rear). The original idea of the owners was to concentrate largely on Asian weddings, and that remains an important part of the business, although they say that the market has become more competitive as new venues have opened targeting the same market. They concentrate on weddings of 500+ because they find that smaller functions for 250-300 people are not very profitable for them.

Other types of business have developed. They now entertain a wide variety of events, event cinema, martial arts such as cage boxing, pop concerts and some community events. They accommodate about 150 events per year, all of them in the main auditorium. They include about 20 corporate events a year. Although they are theoretically well located for conferences and banquets, being close to both the City and Canary Wharf, they say that it is not easy to win this business because corporations prefer the prestigious venues like Billingsgate (capacity 1,200), are wary of the shabby environment of Limehouse and the fact that it is served by DLR rather than Underground. The largest corporate dining event they do is for 1,200. They charge between £6,000 and £12,000 for venue hire. They accommodate about 20 of these events annually. Catering is outsourced to outside caterers. There is a warm up kitchen under the stage. The venue charges 8-10% commission on the food. The venue makes its money from the venue hire and from drinks. They provide drinks packages at £35 per person. They make a margin of 65% on drink takings.

ADVANTAGES

- This could be a relatively low cost solution for the heritage asset as it does not require rebuilding the stage house and major amendments to the interior of the auditorium.
- It would make the venue attractive for a large range of different types of event.
- It would not be essential to retain the fly tower.

DISADVANTAGES

- It would not meet the aspirations of stakeholders who would like the building to operate as a lyric theatre.
- It would compete head on with the Dome and the newly refurbished Corn Exchange.

4.2.2 AUDITORIUM OPTION 2B: CABARET VENUE

CONCEPT

- The physical layout would be similar to Option 2A, except that the default seating arrangement in the stalls would be tables and chairs that are suited to cabaret style entertainment where people are able to have a meal and also watch entertainment. People would to sit in normal theatre seating in the balcony.
- The entertainment could be a mixture of live acts (music, comedy, drama etc.), cinema and projection of cultural events.

- Hippodrome House could be developed as a bar, operating independently or semi-independently of the auditorium.

ILLUSTRATIONS

A company called McMennamins, based in Portland, Oregon, in the United States, specialises in converting old buildings to entertainment venues. They do so with great imagination and many of their properties provide inspiration for what might be done at the Hippodrome. One of them is the Bagdad, a former supercinema, which operates in a cabaret style for both live entertainment and cinema.

http://www.mcmenamins.com/219-bagdad-theater-pub-home

A feature of The Royal Court Theatre in Liverpool is being able to eat a meal before performances. http://www.royalcourtliverpool.co.uk/

The successful Rex in Berkhamsted is a successful cabaret cinema. Most performances are sold out. http://therexberkhamsted.com/

Figure 27: Cabaret layout at the Rex

ADVANTAGES

- This, like Option 2A, would be relatively inexpensive.
- This would be an operating model that would be rare and could be popular.
- The venue could generate a lot of money from food sales in addition to revenue from ticket sales and bar sales.
- It could be easily adapted to an alternative mode of operation if the cabaret did not work.

DISADVANTAGES

- It is untried and there could be a risk factor.

4.2.3 AUDITORIUM OPTION 2C: CIRCUS

CONCEPT

- The venue would specialise in circus. It would stage programmes of circus.

ADVANTAGES

- Circus is an increasingly popular form of entertainment, having been popularised by Cirque du Soleil. There are increasing numbers of companies that specialise in Circus performance (particularly in Brighton) and people choosing it as a career.
- It would be a good fit with the shape of the building and its heritage.
- It would be unique to Britain.
- It could accompany a cabaret style of layout with food and beverage forming an important income stream.
- It could make a good case for funding to Arts Council England because it would be supporting artform development.

DISADVANTAGES

- It is unlikely to be viable without subsidy.

4.3 AUDITORIUM OPTIONS 3: NON EVENTS USE

This section has options for a permanent use of the auditorium which is not predominantly performance or events orientated, although any of the options could include a performance and/or events dimension.

The assumption for all of them is that use would be part of a comprehensive redevelopment of the Hippodrome, and perhaps Dukes Lane, for a combination of residential, restaurants, specialty shopping and, perhaps, a boutique cinema.

They all assume that the full volume of the auditorium would be maintained and that any interventions would maintain the integrity of the architecture.

All the options have the advantage that they would allow comprehensive redevelopment of the area and stimulate regeneration of both Middle Street and Ship Street. The cost of heating such a large space would be a disadvantage of all of the options.

4.3.1 AUDITORIUM OPTION 3A: RESTAURANT AND BAR

CONCEPT

- The auditorium would be used as a destination café-restaurant, probably operating towards the higher end of the market.

- It would, because of the size of the building, have different sections, including, for example, one or more bar areas, informal and more formal eating areas, and private dining and/or semi-private dining areas.
- The balconies would be flattened and would have tables with views over the diners in the auditorium. A section might be used for a bar.
- The ambition would be to create a sense of theatre.
- The stage could be retained and used for performance of different type as part of the restaurant offer.

ILLUSTRATION

The style envisaged would be similar to that of popular London bistros like the Wolsley and Chiltern Firehouse. It would, like them, operate from breakfast to late evening, changing in atmosphere over the course of the day.

The Royal Exchange in the City of London illustrates how a restaurant can work in a space of that volume. A circular bar, surrounded by tables, forms the centrepiece of the atrium. The character of the operation changes through the course of the day, moving from breakfasts, to coffee, to light lunches, to afternoon tea/coffee, to evening bar. There is a more formal restaurant with tables located in protruding glass balconies that overlook the atrium.

Figure 28: Grand Café, Royal Exchange, City of London

ADVANTAGES

- The space could make a very attractive restaurant, one that could be a major destination and tourist attraction. It would be unique.
- A large number of people would be able to enjoy the space, many on a day-to-day basis. It would be a social hub.

- The entire development might be commercially viable and the revenue from the restaurant could ensure that the building is maintained in perpetuity.
- There appears to be a gap in the market in Brighton for this type of offer. The city seems to have less destination restaurants than the nature of its catchment and its success in attracting tourists warrant.

DISADVANTAGES

- The ability for the building to be used as a theatre in the future would, at minimum, be severely compromised.
- It would have commonality with the previous scheme for a cinema and restaurants, which was opposed by many people (although it would not have the same level of negative impact on the heritage asset).
- Use of the balconies for restaurant tables would require removing the rake, which might be considered harmful to the heritage.

4.3.2 AUDITORIUM OPTION 3B: PERMANENT FOOD MARKET

CONCEPT

- This would be in the style of modern covered food markets in many cities in Europe and North America including regional cities like Gothenburg, Hannover and Montpelier. It would have commonality with London's Borough Market.
- It would be a mix of stalls where people can buy food to eat elsewhere with food and drink that is eaten on the premises.
- Food stalls could be in a ring around the ground floor.
- A section of the stalls could be an area where there are tables and chairs that people can use for eating food and drink that they buy from the stalls.
- Back of house areas for refrigeration and preparation of food would be created in an extension.
- The front section of the stalls, adjoining the stage, could be a flexible events space. This could stage activities such as day markets for fashion and other items, banquets, event cinema, live music and theatre.
- The balcony could be a bar and a waiter service market restaurant, with tables looking out over the auditorium.
- There could also be an outside eating area in space within the site.
- It would operate from morning to night.
- It could include a boutique cinema with the screens created in an extension.

ILLUSTRATION

A striking trend of recent years, across many countries of Northern Europe and North America, has been revival of indoor food markets. This has accompanied increasing popularity of farmer's markets.

Colliers recently produced a strategy for Cork, a city of similar size to Brighton, but less affluent and with fewer tourists. The English Market there thrives, and largely sells food. There are no vacant stalls. It is Cork's main tourist attraction.

We have come across thriving, recently built, modern food markets in places like Gothenburg, Rotterdam, Hannover, Cape Town, Toronto and the small city of Uppsala in Sweden. They typically occupy restored buildings like Tram Sheds (e.g. Uppsala and Gothenburg) and warehouses (e.g. Cape Town).

Borough Market in London, famously, goes from strength to strength and has had great regenerative impact in Southwark. It is, arguably, the most successful destination in London and is exceptionally attractive to tourists.

The difference between old style food markets and the new generation of food markets is that the new version are as much about eating on site – both formally and informally - as they are about buying food for use at home. This can be seen in the pictures below of the indoor food market in Hannover.

Figure 29: Food Market in Hannover, Germany

Figure 30: Gourmet food market in Altrincham, Greater Manchester

They also increasingly focus on locally produced produce, responding to consumer demand to know the provenance of the food they eat and for a more experiential retail experience.

ADVANTAGES

- Modern food markets of this ilk are highly popular.
- It would probably suit the demographic of Brighton and be popular with tourists.
- Brighton's hinterland has many food producers that might be interested in taking stalls and/or selling their produce. The city has many food and beverage and deli type businesses that could also be interested. The cosmopolitan nature of its population is a good fit.
- It could be a good fit with the HLF Heritage Enterprise scheme which focuses on business and employment opportunities. It would create jobs just not just on site but in rural areas where much of the food would be produced.
- It could be more egalitarian than a destination restaurant, attracting people with a wider range of income levels.

DISADVANTAGES

- Interventions in the heritage asset to make it possible might be quite substantial.
- As Option 3A.

4.3.3 AUDITORIUM OPTION 3C: SPECIALTY MARKET

CONCEPT

- The building could be a permanent market, perhaps specialising in fashion and accessories.
- It could be departmentalised so that, for example, there are sections for jewellery, shoes and clothing of different types.
- It could be a combination of permanent stalls, created under the balcony, and temporary stalls.
- It could also have an events space, as for Option 3B, and could be overlooked by a destination bar/restaurant in the balcony.

ILLUSTRATION

Old Spitalfields Market is a thriving specialty goods market that has been recently restored as part of a mixed use development. The photograph below shows how it is different in physical style from traditional markets, with moveable stalls, which are set up on behalf of the traders every day. This allows the space to also be used for events of different types. The market has, in addition to the permanent exhibitors, a programme of speciality markets. This approach reduces the cost overheads for stall holders and makes for a more interesting, vibrant environment.

Figure 31: Old Spitalfields Market, London

ADVANTAGES

- Similar to Option 3C.

DISADVANTAGES

- It could be less easy to find tenants than for a food market.
- It would probably have less popular appeal than a food market.
- As Option 3A.

4.3.4 AUDITORIUM OPTION 3D: STORE

CONCEPT

- The building could be let to a retailer. This, given the proximity to Dukes Lane, might be something that is trendy and fashion orientated, similar to Dover Street Market in London, which is a mini department store.

ILLUSTRATION

Dover Street Market is a trendy department store, located over 5 floors, that is owned by the Japanese design house Comme des Garçons. It is located on a street that is two blocks from the luxury fashion designer retailers on Old Bond Street. It is not a traditional home for fashion retailers. It has become a destination for young people that are especially fashion conscious. There are similar types of stores in other cities that deliberately locate on the margins of the normal fashion retail hub in order to stand out and create a destination.

ADVANTAGES

- The building could be an imaginative and effective store that would create an anchor for the Lanes.

DISADVANTAGES

- This would only work if the idea happened to appeal to an adventurous and imaginative retailer. The probability of that happening is not high.

4.3.5 OTHERS

ICE RINK

This would convert the building back to its original use. Our understanding, however, is that the smallest ice “pad” is 56 x 26m, which would not fit in the building. Ice Rinks are also not developed and operated on a commercial basis.

CONTEMPORARY ART GALLERY

Some stakeholders have pointed out that Brighton lacks a venue for contemporary art and, specifically, that there is a gap in the city for a Centre for Contemporary Art which is run as a commercial operation, similar to CCA in Glasgow for example. The building would not be suited to it, however, being a large, ornate hall. Galleries require smaller spaces with hanging room and controlled environmental conditions.

INCUBATOR WORK SPACE FOR CREATIVE INDUSTRIES

Other stakeholders have suggested office and workspace for, in particular, the digital arts and start-ups. This sector of the economy is growing at a fast pace in Brighton, about 4 times the national average. The building would not be suited to it, however, being a large, ornate hall, and it would not be conducive to public access.

5 OPTIONS FOR THE SITE

This section outlines options for how the rest of the site might be developed. The main variables involved in this are:

- Whether there is an arrangement that allows the Hippodrome site to be developed in conjunction with the Dukes Lane car park. Options that assume this are called “With Dukes Lane”. Those that assume that the Hippodrome site alone is developed are called “Without Dukes Lane”.
- Whether the fly tower is retained, either as part of the new scheme or so that the opportunity to do so in the future is not lost.

5.1 SITE OPTION 1: FLY TOWER RETAINED

5.1.1 SITE OPTION 1A: WITHOUT DUKES LANE

CONCEPT

- The whole rear space would be used for access. There would not be any development in that area.

ADVANTAGES

- This would minimise any hindrance to the operation of the building as a venue in the long term either from restricting use of the space or from bringing new residents into the area that then complain about noise and disruption.
- There would not be any complexity involved in dealing with another organisation and site.

DISADVANTAGES

- The service area would continue to be underutilised space and a barrier to regeneration of Ship Street.
- It is unlikely that it would be possible to use the service yard space for public access. All public access to the Hippodrome would probably have to be via Middle Street.

5.1.2 SITE OPTION 1B: WITH DUKES LANE (REAR ACCESS)

CONCEPT

- The Ship Street frontage would be organised so that there is access into the site that is wide enough for one large articulated truck to drive in and out at a time.

- There would be enough space for two large articulated trucks to park within the site under a covered loading bay which provides shelter from the weather and also minimises disturbance to residents when they are loaded and unloaded.
- That access could also be used for delivery of stock to shops on Dukes Lane. Parking spaces for Dukes Lane offices and apartments would be replaced in a more efficient form.
- There would be development stretching back from Ship Street into the site. This would have retail at ground floor and apartments (possibly offices) above.
- Hippodrome House plus the area occupied by the Elephant entry and the adjoining access to the Dukes Lane site would form the lobby area for the theatre, restaurant and bar. The main entrance to the venue would be in the new build section.

ADVANTAGES

- This could allow a development which is big enough to generate some funds towards restoration of the heritage asset.
- It would make a positive contribution to Ship Street and Middle Street and make the redevelopment of Hippodrome House bigger and more effective.
- It would retain the ability to take touring productions in the auditorium.

DISADVANTAGES

- The development on Ship Street would be of more scale and, at best, would only make a small contribution to the funding requirement.
- There may not be enough financial advantage in the scheme to the owners of Dukes Lane to make it worthwhile for them to co-operate.
- The regular use of the access by articulated trucks would reduce the appeal and, therefore, value of the enabling development.
- The site would not be able to accommodate large modern articulated trucks.

5.1.3 SITE OPTION 1C: WITH DUKES LANE (ACCESS THROUGH THE SITE)

CONCEPT

- A private road would be created through the site from Middle Street to Ship Street. The road would be designed as high quality shared space public realm and would be accessible to the public.
- Articulated trucks would drive forward into the site. They would reverse into the loading bays. They would drive out forwards.

ADVANTAGES

- This might solve the problem of access to large articulated trucks.
- It could allow a development of reasonable scale on Ship Street that would help to fill the gap in the streetscape.

DISADVANTAGES

- The space occupied by the area for access, and the need to provide parking for the residents of Dukes Lane, would reduce the opportunity for development.
- DTZ Investors have already said it is unlikely to be acceptable to their client.

5.2 SITE OPTION 2: FLY TOWER NOT RETAINED

5.2.1 SITE OPTION 2A: RESIDENTIAL & GROUND FLOOR COMMERCIAL

CONCEPT

- There would be a residential-led development extending from Ship Street to the back of the fly tower building, with commercial on the ground floor at Ship Street. That would be roughly 1,050 m² over three floors. It could accommodate a restaurant unit of 250 m² and about 8 apartments of 75 m².
- It could include a new stage area and back of house facilities for the auditorium, with apartments over it. That building would have similar volume to the main building agreed for the Cinema scheme. Two floors of apartments over the stage area could be approximately 960 m², providing about 11 apartments of 75 m².
- Access to the auditorium for deliveries by van would be via the Middle Street entrance.

ADVANTAGES

- The development value could be substantial and make it possible to fund a large part of the restoration scheme.
- There could be major improvement to the back of house facilities (with exception, of course, of fly tower).
- Ship Street would be improved.

DISADVANTAGES

- Loss of the fly tower would prevent the theatre being used for touring theatrical productions in the future, except if technology changes and large physical sets are no longer used.
- Noise levels in the stage area could be restricted by having apartments above.

5.2.2 SITE OPTION 2B: HOTEL

CONCEPT

- This would be as Option 2A, except that the new development would be occupied by a boutique. The hotel would have a restaurant and reception at ground floor, entered from Ship Street. Rooms would be above, and over the new stage area. About 45 large rooms of 30 m² should be possible.

- There could be a passage from Ship Street into the back of the Hippodrome.
- There could be a roof garden that could be accessible to the public.

ADVANTAGES

- It is a prime location for a hotel. It could have Hippodrome related theming that would make it special.
- This would make the whole site more permeable to the public.

DISADVANTAGES

- As Option 2B.
- It only works if there is development over the back of house because there would not be enough rooms otherwise.

6 THEATRE OF VARIETIES

6.1 INTRODUCTION

Section 6 outlines an idea for Brighton Hippodrome as a Theatre of Varieties - a use that is in keeping with its heritage as a variety theatre, but different to a lyric theatre that has a focus on staging larger touring productions. It would be different from the scheme proposed by Our Brighton Hippodrome in that it would not have a tiered seating system, a full stage house capable of taking the sets of larger touring productions and accommodating their casts, and the scale of lobby/bar required for a lyric theatre.

There are two main variations. The first is for a “medium term” use of the building while the funding for full conversion to a theatre that can take lyric touring productions is secured. This might be 10 or 15 years. It assumes that nothing is done that hinders future use of the fly tower and use of the service yard for delivering productions. It assumes that there is full renewal of the auditorium and Hippodrome House and modest refurbishment of back of house. The investment in the venue is estimated to be £8 million, including acquisition.

The second main variation is for “permanent use” for the same purpose. It assumes, however, that the fly tower would be rebuilt, in a new form, and there would be development in the rear yard. The investment in the venue is estimated to be £13 million, including cost of purchase.

The vision is for a building that is a hub of activity by day and night, welcoming people who come to eat, drink and socialise in addition to those who come specially to watch performances and to participate in events. The rationale is that the location and form of the building are particularly suited to this and it could be more distinctive and successful as a venue if operated in this way.

An alternative, however, is to operate it in a more conventional manner with audiences coming to performances and events and while, at other times, people might use the lobby areas, they would not go into the auditorium.

6.2 STRATEGY

The strategy would be to make the most of the “spectacular hall” character of the building, and its location at the heart of one of the most cosmopolitan and popular destinations in Britain, to create a truly unique arts and entertainment venue. It would return the building to its heritage as a place of variety entertainment. It would offer both live entertainment and screen based entertainment. It would establish a niche in Immersive Theatre, which uses audience participation, augmented reality, social media and geolocation technologies to turn performing arts into a more interactive first-person experience. This has particular appeal to younger audiences. It would be a social and entertainment hub operating from morning to night. It would be attractive to tourists and locals alike. It would make a connection between Middle Street and Ship Street. It would stimulate regeneration of both.

6.3 CONCEPT

The strategy behind the proposed layout is:

- To make the building as flexible as possible, able to stage performances of many types in layouts of many types.
- To make it possible for the building to operate as a venue that has people using it on a continuous basis by day and evening rather than one which only opens for performances and events.
- To enable a constant programme of entertainment by day and night.
- To make it easy and attractive for people to spend money on food and drink, which would be a main source of entertainment and of revenue.

6.3.1 OVERVIEW

The current flat floor would be retained in the stalls. Nothing permanent would be built on it so it can be used in its entirety for activities that require a flat floor. It is envisaged that there could, however, be an amphitheatre in front of the stage. A specially designed modular seating system and moveable stage would allow many different seating arrangements to be created. Seats would be retained in the balcony. The stage would be a multi-media black box that could either be the stage for the main auditorium or an auditorium in its own right. There would be extensive back stage facilities and storage as part of this.

6.3.2 STALLS

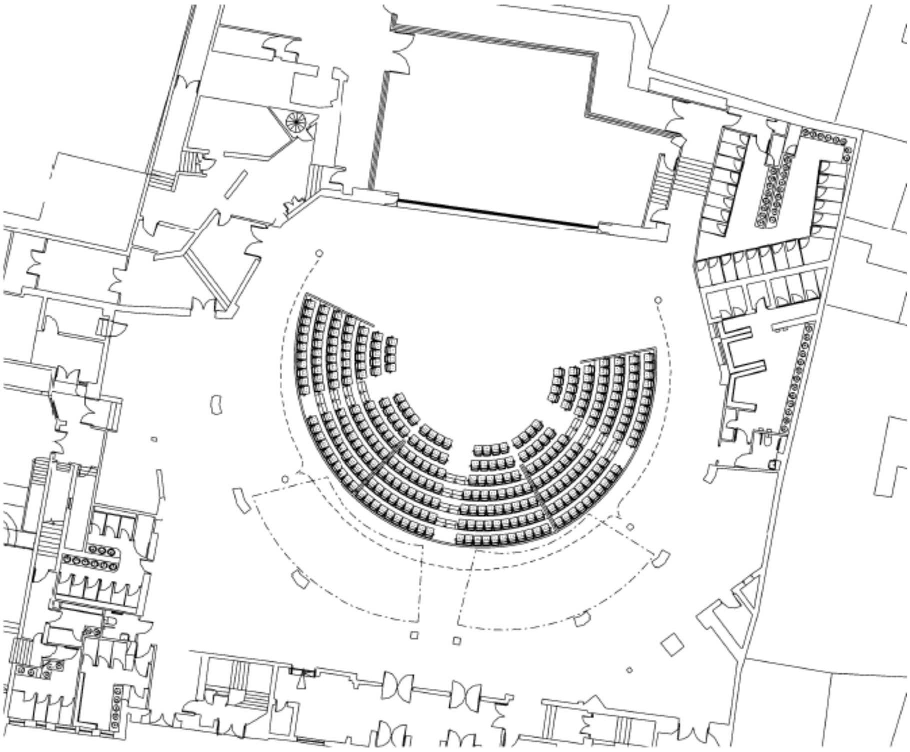
Five quadrant sections of purpose-built mobile seating would be installed[25]. They would be designed to suit the circular geometry of the auditorium, creating a continuous steep rake from the circle down to the flat floor. Each mobile unit could be about 7 rows of seats. There would be additional rows of seats on the flat floor. The seating units in Variation A (medium term) could be simple rostra or scaffolding sitting on benches with loose cushions if there are limited funds. They could, in Variation B (permanent) become mobile seating waggons moved on air `castors or similar with proper seats, integral safety lighting etc.

Three of the units would be stored under the balcony when not in use. The other two would provide seating in a Stage Multi Media Box except when used in the auditorium. These seating modules would be moved around to provide various seating configurations.

One configuration using these seats would be a **Thrust Stage** layout. It would use three of the modular seating units and would include the balcony seats. It should be able to accommodate a seated audience of about 300 seats in the stalls and 380 in the Circle, a total of 680, more if the flat area in the centre is used as a standing room pit.

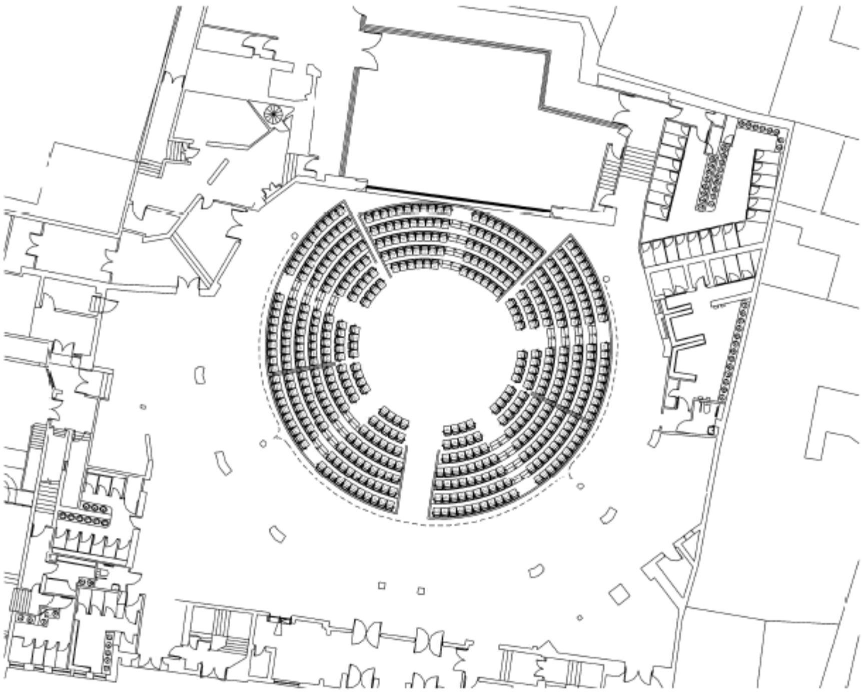
[25] This would, although specially designed, be a much simpler system that would be required to enable changes to the layout of a tiered seating system.

Figure 32: Thrust Stage layout



The five modules could be arranged in a circle to form an **Arena** in the Round. This could have c.500 seats in the stalls and 380 in the Circle, a total of c.880.

Figure 33: Arena in the Round

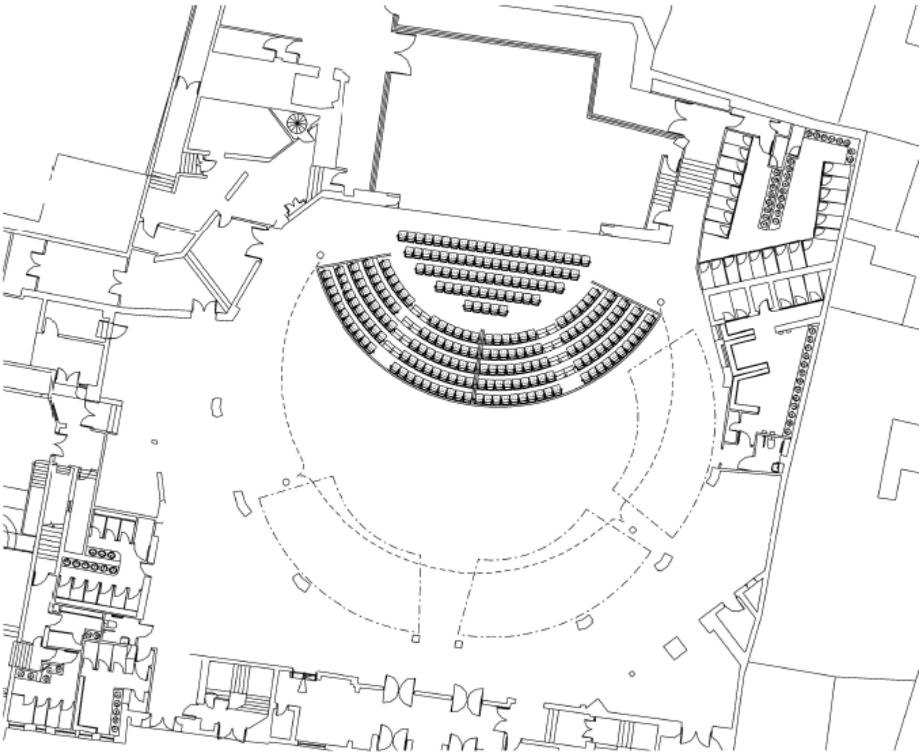


There could be greater capacity if there is greater investment in the seating.

Those arrangements would be used for ticketed performances of events such as music concerts, comedy and drama. It could stage a pantomime. It would accommodate large events for the three weeks of the Brighton Festival.

Two of the seating quadrants could, alternatively, be set up directly in front of the proscenium forming a more intimate **Front of Proscenium** layout of about 300 seats with everyone able to see the depth of the stage. The Balcony seats would not be used in this arrangement. It would be used for the same types of events as above and also for cinema events like projection of cultural events.

Figure 34: Front of Proscenium layout



6.3.3 THE STAGE MULTI MEDIA BOX

The area behind the proscenium arch would be a multi-media space that can either operate as a self-contained venue or could be used as the stage for the main auditorium. It could also be used as a flat floor extension to the main auditorium.

Its size would depend on whether it is part of a temporary or permanent scheme for the building.

A new sound reducing removable partition, similar to a safety curtain, would be installed in the proscenium opening. The manner in which it would operate would, in the medium-term variation, depend upon the structural condition of the fly tower.

The multi-media box might be contained in a structure erected within the stage house if necessary because of the structural condition of the fly tower. The **Stage Multi Media Box** would probably be approximately 11 m x 11 m (121 m²) in the short-medium term arrangement.

The Stage Multi Media Box would, in a permanent arrangement, be about double that size. The modular seating units could enable it to accommodate a seated audience of perhaps 250. It would be fully equipped with lighting, sound and cameras. The cameras would be used to project performances in that space onto the big screen where they could be seen by people in the main auditorium.

It would be used as a stage for the following types of stage end events in the main auditorium:

- Plays and musicals, including, possibly, pantomime
- Comedy
- Live music.

It would be hired, as a self-contained space, for activities such as:

- Theatre and dance performances
- Digital installations
- Cinema
- Rehearsals
- Television shows
- Banquets
- Wedding ceremonies.

It would provide break out space for conferences.

It would accommodate educational programmes for school groups and could be used for community activities.

6.3.4 THE AMPITHEATRE

An area in front of the stage would be uncovered to expose the front of the stage. This would use the slope of the theatre floor underneath the flat floor installed when the building was converted for bingo.

This would extend about a third of the way into the auditorium, forming a semi-circle around the stage with about 8 rows of seats. It would have about 320 seats.

The amphitheatre would be arranged as steps where people can sit to watch performances on the stage. They would simply sit on cushions.

The amphitheatre would be covered with a floor when there is a need to use the whole venue, including the stage, as a flat floor venue.

The circle would be seated, with about 380 seats that have a clear view of the stage. About 700 people would, therefore, be able to watch events on stage in theatre-style seating without using the modular seating.

6.3.5 THE BIG SCREEN

A screen forming the barrier between the auditorium and the stage would be for projection of film, videos and live performance. There would be a cinema standard digital projector.

Ticketed events that the Big Screen would be used for would be:

- Recent release and classic movies
- Live projection of cultural events and performances such as NT Live
- Event cinema.

There would also be projection onto the screen whenever the stage was not being used for live entertainment to form a backdrop for socialising in the auditorium.

That would include projection of events taking place in the venue in either the Stage Multi-Media Box or the Under the Dome Stage, and projection of digital installations.

6.3.6 UNDER THE DOME STAGE

A mobile stage would be positioned under the Dome. This would be used for theatre and music in the round.

Audiences would watch such performances from the seats in the balcony, seated at tables in cabaret style in the stalls, and/or standing.

Ticketed events that would use this format would be:

- Theatre in the round
- Live music in the round
- Sporting contests like snooker and darts.

It would also be used for day-to-day performance by street entertainers, community arts groups, and audience participation activities such as ballroom dancing and wedding ceremonies.

6.3.7 FOOD THEATRE

The stalls area would have kiosks surrounding it which sell artisan food and drink for eating on the premises and takeaway. It is envisaged that there might be about 10. They would be under the balcony in self-contained units in which preparation takes place. Those which require extraction would be on outer elevations, especially on the north side. They would be moveable.

They would open all day. People would be able to use them either simply as an unusual venue for eating and drinking or for purchasing food and drink for consuming while they watch performances.

The half of the stalls nearest the entrance on Middle Street would, on a day-to-day basis, be set up as tables and chairs where people can eat food and drink purchased at the artisan food kiosks.

6.3.8 THE BARS

There would be a long bar at the entrance to the stalls, with a counter facing in both directions (i.e. into the auditorium and to the street). This would help to give an impression of an active place from the street.

There would also be a bar at balcony level. This could include a terrace over the portico on the Middle Street entrance. This bar would provide drinks and snacks to people watching performances from the balcony and be a venue in its own right.

6.3.9 GRAND PERFORMANCE CAFÉ - HIPPODROME HOUSE

Hippodrome House would be converted to a waiter service bar and café-restaurant. It would aim to be the foremost eatery in Brighton, operating from breakfast to late night. The front elevations would be restored to return their appearance to individual townhouses. The small structure on the north side of the side gate would be removed. That entrance would be opened and landscaped to form an attractive entrance area. It would be private shared space and would be used for vehicles making deliveries to the venue. The conservatory and the Palm Court would be restored. It would be themed with photographs, memorabilia and film from the variety era, perhaps including displays of Max Miller memorabilia.

Kitchens and back of house space would be built in the space that borders the auditorium and the Hippodrome building. It would be accessible for deliveries via the access road. It would serve both the restaurant and the auditorium. The upper floors would be used for private dining and meetings.

6.4 VARIATION A: MEDIUM TERM SCHEME

Figure 35: Sketch of short term use of the Hippodrome as a "Theatre of Varieties"

Source: Aedas Arts Team

This option assumes that the long term strategy would be to use the building for larger touring productions.

This would mean that the fly tower should be retained (or, at minimum, space where it can be replaced should be retained) and there should not be development on the rear yard that prevents access by large articulated trucks.

It would be assumed that the building would remain in the temporary use for at least 10 years, and leases would be offered on that basis.

The interior of the building would be largely as per the vision. The Stage Multi-Media Box would be created by installing a special structure within the frame of the fly tower. That would carry the weight of the acoustic curtain and protect audiences.

A temporary shopping market, perhaps made out of shipping containers or an alternative, would be constructed in the car park. This would be in the style of Box Park in Shoreditch www.boxpark.co.uk.

It would be let to similar types of tenants as at Box Park as they have a good fit with the local market. It might be called a “Fashion and Design Village”. It would be laid out as a street leading to the back of the Hippodrome and then into the auditorium. The rear wall of the fly tower could have a mural to give it a striking impact, especially to people walking up Prince Albert Street from the east. It might, for example, be a montage of stars who played at the Hippodrome.

Figure 36: Mural on wall of car park in Dallas Art District

6.5 VARIATION B: PERMANENT SCHEME

This option assumes that it is accepted that the Hippodrome would not be used in the future for staging larger touring productions, unless technological changes mean that it is no longer necessary to transport large physical sets.

This would allow the fly tower to be rebuilt and for there to be development over the service yard. It would provide a solution for the site that could be delivered in a relatively short period. A new building would be constructed replacing the current back of house and fly tower.

There would still be access to the building for normal sized vans and trucks. That would be via the Middle Street entrance.

The new building would contain a mixture of enhanced facilities for the venue, additional commercial space at ground floor, and a boutique hotel on upper floors. It would have a roof garden, open to the public, which would offer the only views of the domed roof of the Hippodrome and its cupola, and towards the sea.

It would wrap around the back of the auditorium. It would be roughly the same height and volume as the building proposed for the cinema scheme, although it might need to be higher in order to achieve 2, or perhaps 3, floors of hotel rooms or apartments. It would have a footprint of about 450 m². It would, for optimal impact, include redevelopment of Saks House, if it can be acquired, and integration with Dukes Lane in a similar manner to the Cinema scheme.

Figure 37: Sketch of long-term use of the Hippodrome as a "Theatre of Varieties"

Source: Aedas Arts Team

This building would contain the Stage Multi-Media Box for a height of three storeys behind the stage. This occupies a footprint of c. 250 m². There would be dressing rooms and storage space underneath it. The space to the north of it would be used for extra dressing rooms, offices and a public entrance via Ship Street.

The two floors above would be hotel rooms. A three storey building would extend from Ship Street and connect to this new building. The Hippodrome would be advertised on the Ship Street façade. The ground floor would be the reception for the hotel and a bar-bistro. The two upper floors would have hotel rooms. There would be a passageway, c.4 metres wide, along the south side of this building which enables the public to enter the Hippodrome from Ship Street. Lifts and stairs at the point where the two new buildings meet would give access to hotel rooms and give access to the stalls, the circle and the roof garden. This would allow for a hotel of about 2,000 m² [26], which could accommodate a bistro-bar and 50-60 rooms of good size. The Hotel du Vin on Ship Street has about 1,000 m² of Gross Floor Area and has 49 rooms[27]. The number of rooms could be increased by purchasing Saks House and including it in the development. That could add a c.30 rooms.

[26] Not including a basement, which could add about 300 m². The Cinema scheme had a basement in the building on Middle Street.

[27] CoStar Focus.

6.6 DELIVERY

The site would be owned by a charitable trust. Its goal would be to maintain the building in perpetuity in a use that respects its heritage and is of value to the people of Brighton and Hove.

The venue and Hippodrome House would be let on medium term leases, perhaps 20 years, to operators.

PERMANENT SCHEME

The trust would form a partnership with a developer. The developer would take responsibility for developing the plans, assembling the commercial funding, obtaining planning permission, finding tenants and delivering the plan. The trust would make applications to the Heritage Lottery Fund's Heritage Enterprise scheme and to other grant making organisations. The operator(s) of the auditorium and Hippodrome House would invest through a combination of their own funds (equity) and commercial borrowing.

MEDIUM TERM SCHEME

This might be done in the same way as for the permanent scheme, but it may be more difficult to interest a developer, in which case the trust could manage the development itself in partnership, or the organisation that will run the venue could do it on behalf of the trust.

6.7 FUNDING

Figure 38 shows some possible funding combinations for a short term (improvements to make the building safe and useable), medium term (full refurbishment of the historic buildings but minimal change to fly tower and service yard) and for a permanent solution (a comprehensive development of the site). It shows payments that the operator would have to make to pay interest on the loan and repay it over 10 years.

Figure 38: Possible funding scenarios

	Short Term	Medium Term	Permanent
Heritage Enterprise:	£2,000,000	£5,000,000	£5,000,000
Enabling Development (Hotel or Residential):	£0	£0	£3,500,000
Arts Council England:	£300,000	£500,000	£500,000
Other Grants:	£300,000	£500,000	£500,000
Equity from Operator:	£300,000	£500,000	£1,000,000
Borrowing by Operator:	£600,000	£1,500,000	£2,500,000
Total Cost:	£3,500,000	£8,000,000	£13,000,000
Amortization of loan (10 years, 6% interest):	£90,462	£206,769	£336,000

Crowd funding or community share schemes could be an alternative to an operator providing equity.

6.8 FINANCIAL PLAN

6.8.1 OPERATION

The financial plan in this section is from the perspective of the operator. Three projections are made – low, medium and high. The low projection represents estimated outcome if there is a medium term scheme with an investment of about £8 million, and also a pessimistic projection for a permanent scheme with an investment of about £13 million. The medium and high projections represent a conservative and optimistic estimated outcome with investment of £13 million. The estimates are for a stabilised year, which can be taken as year 3. It takes time for all venues to establish a customer base and find out what works in that location. They do not include Hippodrome House or activity at the rear of the site.

The estimates are based on our experience of working on various venues, especially in preparing a plan for the Soho Theatre for operation of the former Granada Cinema in Walthamstow as a venue, which would have a capacity of 1,200 and has similarity to the scheme proposed for the Hippodrome, and also on the accounts submitted to the Charity Commission by theatres that are operated by charities, as discussed in Appendix 3. The number of performances estimated is conservative by comparison to more conventional theatres, as can be seen by looking at the table in Appendix 3.2.2.

6.8.2 REVENUE

This section estimates the Gross Profit (income minus cost of goods sold) that might be anticipated from the operation.

TICKET REVENUE

The venue would be a receiving house. It would stage productions that are put on by promoters and share the revenue with them. Figure 40 shows the assumptions about the number of shows and the income they would generate for the venue.

VENUE HIRE

All or parts of the venue would be hired out for public events such as markets and for private events such as conferences and banquets.

Figure 39: Estimated revenue from venue hire

	Low	Medium	High
Whole Auditorium			
Annual hires	5	10	15
Venue hire rate (inc VAT)	£8,000	£10,000	£12,000
Gross Profit from venue hire (exc VAT):	**£33,333**	**£83,333**	**£150,000**
The Stage			
Annual hires	30	50	70
Venue hire rate (inc VAT)	£2,000	£2,500	£3,000
Gross Profit from venue hire (exc VAT):	**£50,000**	**£104,167**	**£175,000**
Gross Profit from venue hire (exc VAT):	**£83,333**	**£187,500**	**£325,000**

Figure 40: Estimated income from ticket sales for ticketed events

	Low	Medium	High
LIVE PERFORMANCE & EVENT CINEMA - TICKETED PERFORMANCES			
Performances using Thrust Stage or Arena Layout			
Average capacity:	750	750	750
Events per year:	130	150	170
Performances using Front of Proscenium Layout			
Average capacity:	600	600	600
Events per year:	50	70	90
Seats Sold			
Average seat occupancy:	62%	67%	72%
Tickets sold:	116,100	140,640	166,380
Revenue from Ticket Sales			
Average ticket price (inc VAT & booking fee):	£20.00	£21.00	£22.00
Annual turnover (exc VAT):	£1,935,000	£2,461,200	£3,050,300
% of ticket revenue to the venue:	24%	26%	28%
Gross profit to venue from ticket sales:	£464,400	£639,912	£854,084
PROJECTION OF CULTURAL EVENTS			
Events per year:	10	15	20
Average capacity:	600	600	600
Average seat occupancy:	62%	68%	76%
Tickets sold:	3,720	6,120	9,120
Average ticket price (inc VAT):	£17.00	£18.00	£19.00
Annual turnover (exc VAT):	£52,700	£91,800	£144,400
% of ticket revenue to the venue:	50%	50%	50%
Gross profit to venue from ticket sales:	£26,350	£45,900	£72,200
PERFORMANCES IN THE STAGE MULTI MEDIA BOX			
Events per year:	50	75	100
Average capacity:	250	250	250
Average seat occupancy:	62%	67%	72%
Tickets sold:	7,750	12,563	18,000
Average ticket price (inc VAT):	£12.00	£14.00	£16.00
Annual turnover (exc VAT):	£93,000	£175,875	£288,000
% of ticket revenue to the venue:	24%	26%	28%
Gross profit to venue from ticket sales:	£22,320	£45,728	£80,640
SUMMARY			
Total ticketed events in main auditorium:	190	235	280
Total all ticketed events:	240	310	380
Total audience for ticketed events:	127,570	159,323	193,500
Total gross turnover from ticket sales:	£2,080,700	£2,728,875	£3,482,700
Total gross profit to the venue:	£513,070	£731,540	£1,006,924

BAR SALES

It is assumed that the operator would run the bars themselves and this would be a primary source of revenue, as it is for many venues of this ilk.

Figure 41: Estimated gross profit from bar sales

	Low	Medium	High
Audiences to Ticketed Events			
Annual audience all ticketed performances:	127,570	159,323	193,500
Customers not attending Ticketed Events			
Average hours per day:	14	14	14
Average customers per hour:	40	55	70
Non audience customers:	203,280	279,510	355,740
Total annual customers:	330,850	438,833	549,240
Bar sales per head (inc VAT):	£6.00	£7.00	£8.00
Bar sales (exc VAT):	£1,654,250	£2,559,856	£3,661,600
% cost of goods sold for bar sales	38%	36%	34%
Cost of goods sold for bar sales	£628,615	£921,548	£1,244,944
Gross profit from bar sales:	**£1,025,635**	**£1,638,308**	**£2,416,656**

PROGRAMMES AND MERCHANDISE

Figure 42: Estimated revenue from programmes and merchandise

	Low	Medium	High
Attendance at ticketed performances:	127,570	159,323	193,500
Gross profit per audience member:	£0.16	£0.20	£0.24
Gross profit from programme sales:	**£20,411**	**£31,865**	**£46,440**

FOOD SALES

It is assumed that the food kiosks would be operated by independent traders who would pay rent. The rent would, in practice, be a fixed amount plus a percentage of turnover. It has been estimated for the purposes of this plan as 10% of turnover. The tenants would pay for all costs, including staff.

Figure 43: Income for food sales

	Low	Medium	High
Food sales to audiences attending events (including confectionary & ices)			
Average spend per customer (inc VAT):	£3.00	£3.50	£4.00
Turnover (exc VAT):	£382,710	£557,629	£774,000
Food sales to people not attending events			
Days open:	363	363	363
Average hours per day:	12	12	12
Average customers per hour:	30	40	50
Annual customers:	130,680	174,240	217,800
Average spend per customer (inc VAT)::	£6.00	£7.00	£8.00
Turnover (exc VAT):	£784,080	£1,219,680	£1,742,400
Total turnover:	£1,166,790	£1,777,309	£2,516,400
Rent (10% of turnover):	**£116,679**	**£177,731**	**£251,640**

6.8.3 EXPENSES

PERMANENT STAFF

Figure 44 shows the staff plan for each scenario. It assumes that the Hippodrome is managed as a standalone operation. It is likely, in practice, that an operator would use some staff from other parts of the operation on a shared basis.

Figure 44: Staff Plan

		Low	Medium	High
1	Director	£50,000	£55,000	£60,000
2	Programming Manager	£40,000	£45,000	£55,000
3	Programming Assistant		£25,000	£25,000
4	Operations Manager	£40,000	£45,000	£55,000
5	Operations Assistant		£25,000	£25,000
6	Operations Assistant 2			£25,000
7	Sales and Marketing Manager	£35,000	£40,000	£45,000
8	Sales and Marketing Assistant	£25,000	£25,000	£25,000
9	Box Office Manager	£22,000	£22,000	£22,000
10	Box Office Assistants (4 x PT)	£30,000	£34,000	£38,000
11	Bar Manager	£35,000	£40,000	£45,000
12	Assistant Bar Manager 1		£35,000	£35,000
13	Assistant Bar Manager 2			£30,000
14	Security (2/3 PT)	£30,000	£40,000	£50,000
15	Technician 1	£35,000	£35,000	£35,000
16	Technician 2	£26,000	£26,000	£26,000
17	Techinician 3			£24,000
18	Runner 1	£18,000	£18,000	£18,000
19	Runner 2		£18,000	£18,000
20	Runner 3		£18,000	£18,000
21	Runner 4			£18,000
22	Bookkeeping	£16,000	£22,000	£26,000
	Total:	£402,000	£568,000	£718,000
	Salary on costs (15%)	£60,300	£85,200	£107,700
	Total	£462,300	£653,200	£825,700

VARIABLE STAFF

Figure 45 estimates the number of staff that would be needed for ticketed events. It is assumed that there would be an average of 7 ushers per show for evacuation compliance. 2 x Senior Ushers would typically work 4pm – 10pm, and 5 x Ushers would typically work 6 pm – 10pm. This is equivalent to 32 hours per performance evening. Senior Ushers would earn c.£9.50 per hour, including holiday pay. Ushers would earn c.£7.50 per hour, including holiday pay. The average is assumed to be £8.50 per hour. Some ushers would be deployed as merchandise sellers, and one as a front of house cleaner. An additional usher can be employed on a cloakroom. This will pay for itself; providing the cloakroom charges 50p-£1 p

It is assumed that each performance day would require a full building clean requiring 10 hours at a cost of £10.00 per hour. This would be in addition to standard cleaning.

Figure 45: Variable Staff

	Low	Medium	High
Front of House Staff			
Events in Main Auditorium:	190	235	280
Usher hours per event:	32	32	32
Average cost per hour:	£8.50	£8.50	£8.50
Total annual cost:	£51,680	£63,920	£76,160
Bar Staff			
Opening hours:	5,082	5,082	5,082
Average bar staff on duty (except events):	3	5	7
Additional staff per event in main auditorium	5	7	9
Hours per event in main auditorium:	6	6	6
Total hours worked:	20,946	35,280	50,694
Average cost per hour:	£8.50	£8.50	£8.50
Annual cost:	£178,041	£299,880	£430,899
Cleaning			
Standard hours per day:	4	6	8
Standard hours per annum:	1,452	2,178	2,904
Hours per event in main auditorium:	10	10	10
Hours for events:	1,900	2,350	2,800
Total hours:	3,352	4,528	5,704
Cost per hour:	£10.00	£10.00	£10.00
Annual cost:	£33,520	£45,280	£57,040
Total Variable Staff:	£263,241	£409,080	£564,099

OPERATING EXPENSES

Figure 46 has an estimate of the operating expenses, including marketing and a budget for programming of non-ticketed performances.

Figure 46: Estimated Operating Costs

	Low	Medium	High
OPERATING COSTS			
General			
Energy	£40,000	£60,000	£80,000
Insurance	£20,000	£25,000	£30,000
Rates	£35,000	£45,000	£55,000
Refuse Collection	£5,000	£6,500	£8,000
Water	£5,000	£7,000	£9,000
Building/Technical			
Building Maintenance	£50,000	£80,000	£110,000
Building Maintenance Contracts	£5,000	£5,000	£5,000
Technical Consumables	£3,000	£4,000	£5,000
Technical Maintenance	£5,000	£5,000	£5,000
Office/Administration			
Audit	£6,000	£7,000	£8,000
Bank Charges	£2,500	£3,000	£3,500
IT	£4,000	£5,000	£6,000
Legal	£4,000	£4,000	£4,000
Recruitment Costs	£500	£1,000	£1,500
Stationery/Photocopying	£1,500	£2,000	£2,500
Telephone	£3,000	£4,000	£5,000
Event Management			
Box Office IT etc	£8,000	£10,000	£12,000
Miscellaneous Front of House Costs	£1,500	£2,000	£2,500
Licences and PRS	£4,000	£4,000	£4,000
Bar Costs			
Bar Maintenance and Equipment	£30,000	£30,000	£30,000
Secure Cash Collection	£1,000	£1,000	£1,000
Sundry	£20,000	£25,000	£30,000
TOTAL OPERATING COSTS	**£254,000**	**£335,500**	**£417,000**
MARKETING	**£200,000**	**£350,000**	**£500,000**
PROGRAMMING	**£50,000**	**£100,000**	**£400,000**
TOTAL	**£454,000**	**£685,500**	**£917,000**

6.8.4 PROFIT AND LOSS

OPERATOR

Figure 47 shows the estimated profit and loss for the venue. It assumes that the operator would pay rent to the trust of 20% of gross profit[28]. The rent would probably, in practice, be a fixed basic amount plus an element related to performance.

[28] Sales minus cost of goods sold.

Figure 47: Estimated Profit and Loss[29] for Operator

	LOW		MEDIUM		HIGH
	Amount	% of Turnover	Amount	% of Turnover	Amount
KEY VARIABLES					
Ticketed auditorium events:	190		235		280
Occupancy auditorium events:	62%		67%		72%
Total investment:	£8,000,000		£13,000,000		£13,000,000
Operator Equity:	£350,000		£700,000		£700,000
Loan taken by Operator:	£1,650,000		£2,800,000		£2,800,000
GROSS PROFIT					
Ticket sales Main Auditorium:	£464,400	26%	£639,912	23%	£854,084
Ticket sales The Stage:	£22,320	1%	£45,728	2%	£80,640
Programme Sales:	£20,411	1%	£31,865	1%	£46,440
Bar Sales:	£1,025,635	59%	£1,638,308	60%	£2,416,656
Rent from Food Kiosks:	£116,679	7%	£177,731	6%	£251,640
Venue Hire:	£83,333	5%	£187,500	7%	£325,000
Miscellaneous	£20,000	1%	£30,000	1%	£40,000
Total:	£1,752,779	100%	£2,751,043	100%	£4,014,460
EXPENSES					
Permanent Staff:	£462,300	31%	£653,200	29%	£718,000
Variable Staff:	£263,241	18%	£409,080	18%	£564,099
Operating Costs:	£254,000	17%	£335,500	15%	£417,000
Marketing:	£200,000	14%	£350,000	16%	£500,000
Programming:	£50,000	3%	£100,000	4%	£400,000
Rent (14% of Gross Profit):	£245,389	17%	£385,146	17%	£562,024
Total:	£1,474,930	100%	£2,232,926	100%	£3,161,123
Profit/Loss EBIDTA:	**£277,849**		**£518,117**		**£853,337**
Interest and Amortisation:	**£229,878**		**£390,096**		**£390,096**
Operator Profit (before tax):	**£47,971**		**£128,021**		**£463,241**
Operator Return on Investment:	**14%**		**18%**		**66%**

The operator could, in the medium term variation, also generate income from the temporary shopping market in the rear yard. It costs between £9,000 to £15,000 to purchase and adapt shipping containers for use as retail units. It may be cheaper and more effective to build them specially. There might be 10 units of 20 m² let for about £8,000 per annum plus service charge. That could repay the investment in perhaps 2 years and generate revenue of about £80,000 per annum thereafter.

THE TRUST

The trust would use rent to cover depreciation[30] (i.e. the cost of restoring the building over the long term) and administration costs. It would use surplus over and above that to invest in furthering its charitable goals. That could include, for example, funding non-commercial programming and educational activity and enhancing the facilities.

[29] EBIDTA is Earnings before Interest, Depreciation,Tax and Amortisation.

[30] Calculated on a straight line basis over 30 years on £8 million for the Low Scenario and £13 million for the Medium and High scenarios. (Also see Figure 38.)

Figure 48: Estimated Profit and Loss for the Trust

	LOW	MEDIUM	HIGH
Income			
Rent from Operator:	£245,389	£385,146	£562,024
Rent from Hippodrome House:	£80,000	£100,000	£120,000
Total:	£325,389	£485,146	£682,024
Expenses			
Administration:	£10,000	£50,000	£50,000
Depreciation:	£243,333	£433,333	£433,333
Total:	£253,333	£483,333	£483,333
Profit/Loss:	**£72,056**	**£1,813**	**£198,691**

7 CONCLUSIONS

7.1 COMMERCIAL PRESENTING THEATRE

7.1.1 THERE IS A NICHE

A lyric theatre with a large stage, wings, behind a proscenium arch, with capacity of 1,200+ good seats would fill a niche in the Brighton and Hove market that is currently vacant by being able to accommodate large touring productions of musicals, opera, and ballet, and pantomime.

There is a clear market position that could be occupied by such a theatre that is differentiated from the city's other venues.

Such a venue would be useful in ensuring the continued progression of the Brighton Festival.

The market for such a theatre appears to be reasonable. The city's suburbs and hinterland, in particular, have large numbers of people that enjoy popular commercial theatre. It is not an attractive option for most of them to go to places like Chichester, Southampton and Eastbourne to see touring productions because of the distance and unpleasantness of returning late at night. London is not so close as to make it an enticing option on a regular basis.

There are examples of theatres of similar size in regional cities operating profitably with the kind of programming that could be envisaged for the Hippodrome.

7.1.2 ADVANTAGES OF USING THE HIPPODROME

The main advantages of using the building for this type of use are:

- It is an existing building that has been used as a theatre before and is roughly the right size.
- The quality of the architecture inside is high.
- The round shape offers the opportunity to provide theatrical formats that are different to the norm, especially thrust stage and in the round.
- It may cost less to restore it to be a theatre than to build a new lyric theatre, although that is not necessarily the case.
- There are currently no plans for alternative provision of such a facility and so, if the Hippodrome is not used, there is high probability that Brighton will not obtain one for the foreseeable future.

The case for this use is more to do, in our opinion, with the gap in the market than it being in keeping with the building's heritage. The Hippodrome was not built to be a lyric theatre. It was used largely for variety, mixing live entertainment with cinema, rather than theatrical productions, in its years as an entertainment venue. People enjoyed it for 40 years as a bingo hall. The building could provide pleasure to people for many different uses. Many historic buildings are a popular success for uses for which they were not originally designed.

7.1.3 DISADVANTAGES OF USING THE HIPPODROME

Using the Hippodrome for the purpose of staging larger touring productions would involve compromise, especially compared a new structure on a clean site.

Some of this compromise relates to the physical character of the site.

The most significant concerns are:

- Access for delivery of productions would be awkward at best. The presence on a regular basis of large articulated trucks that have to reverse in and then load and unload heavy stage sets and equipment is not ideal in an area with a substantial residential population. The need to provide ongoing access for trucks of the size required could also militate against major improvement of the public realm on Ship Street and Middle Street.
- A large proportion of the audience would not be able to see substantial parts of the stage because the auditorium is round. The venue would be ideal for shows that use a shallow part of the stage behind the proscenium plus a thrust stage, and for productions that are in the round. That only represents a small proportion of commercial touring productions, however.
- It would be difficult and expensive to create enough foyer and bar space to accommodate audiences in the comfort now expected and with enough room to generate income from sales of food and drink. Doing so probably requires rebuilding most of Hippodrome House, a Grade II* listed structure.
- The site is not ideal in terms of audiences being able to park close by and get to it by public transport.

Each of these has potential to be the difference between the venue making a surplus and it making a loss.

A lesser downside is that there is no obvious place to accommodate a studio theatre and to provide support spaces like rehearsal rooms.

The other key concern relates to delivery.

Our opinion is that this option is very difficult, perhaps impossible, to deliver in the short term. The main reasons for this are:

- The cost would be high
- The Heritage Lottery Fund could not provide most of the funds needed for this
- The most that could be expected from Arts Council England would be a small proportion of the cost.

There is also opportunity cost in using the site for this purpose because it prevents development of the rear area and a combined development with Dukes Lane.

Our Brighton Hippodrome considers that their scheme would use the building in a more flexible way than as a lyric theatre, but that does not necessarily help the case. The cost of enabling the building to take larger touring productions will be the same whether it has many or few. It would be more sensible to use it as much as possible for touring productions once that investment is made because they make the most profit. The cost of a system that can switch the auditorium to from tiered to flat floor and to different seating permutations would be high.

7.2 THEATRE OF VARIETIES

There are various formats in which the building could operate successfully as a flexible performance venue without the need for a fly tower and access by large articulated trucks. One is a concept along the lines we have outlined.

7.2.1 ADVANTAGES OF THEATRE OF VARIETIES

- It would be a place where people could pop in from morning to night – this seems to be particularly attractive in an area which has so much footfall all year round.
- Modular seating in the stalls and the stage operating either as a stage for the auditorium or a multi-media box would make the venue highly flexible, without the cost implications of trying to convert an entire theatre of tiered seats.
- The seating configurations shown would have smaller capacity than if the venue is laid out completely with seats, but the sight-lines would be great for everyone and the capacities would be “sellable”.
- While the number of people coming for ticketed performances would probably be lower than if it was operating as a lyric theatre, the overall number of people enjoying the venue would be higher.
- The number of people and organisations able to perform in the building and/or use it for their work would be considerably higher than if it was a lyric theatre.
- The risk factor would be lower because, if it did not work, it would be relatively simple to change it to an alternative use and to change the business model.
- It would be much less expensive and more deliverable.
- It could enable a holistic regeneration of the area, including integration with Dukes Lane.
- It could potentially also work as a medium term approach while an effort is made to secure funding for conversion of the site to a lyric theatre.
- It would not require rebuilding the interior of Hippodrome House.

7.2.2 DISADVANTAGES OF THEATRE OF VARIETIES

- It would not fill the gap in the market for a lyric theatre.
- It might compete more than a lyric theatre with other venues, especially the Dome and Corn Exchange.
- It is an untested concept that might not work.

7.3 OTHER ENTERTAINMENT USES

The building could also be attractive as a more straight-forward flexible venue, as outlined in Auditorium Option 4.2, working in similar style to the Troxy.

That could be a good short term use of the building en route to it being adapted to take touring productions. It would have the disadvantage, however, of being similar to the offer of the Dome, especially once the Corn Exchange has been refurbished.

We think that the building could also work well in cabaret style, either short term or long term, especially if operated with panache.

7.4 NON-ENTERTAINMENT / SEMI-ENTERTAINMENT USES

The Hippodrome, in hall form, could give pleasure to people in various different uses. It could have the advantage that the service yard and the adjacent Dukes Lane parking area could be an attractive mixed use scheme that would be sustainable, help fund a high quality restoration and improve the neighbourhood.

7.5 STRATEGY

The strategy that we propose is driven largely by the practical reality that the Heritage Enterprise scheme appears to be the most likely source of the scale of funds needed to obtain and restore the site in the short term.

This means, in practice, that there is a prospect of obtaining up to £5 million towards a commercial development that will restore the building and give it a viable and sustainable use. That might, realistically, be supplemented in the short term by c.£2 million grants from other sources.

The best way of achieving this will be for a non-profit making trust to acquire the freehold and then to provide a long leasehold to one or more development / operating partners, who would contribute private funding from their own funds and from borrowing.

The following is a process that we suggest. We have put indicative timings against it. A key decision in this respect is when to apply for first-round Heritage Enterprise scheme grant. December could be possible if Academy Music Group (AMG) agrees to support the process. This would be required almost immediately if there is to be an application for a start-up grant to fund a condition survey and other elements of preparing the application in time for it to be agreed (about 8 weeks) and then spent.

- Obtain agreement from AMG to agree to the preparation of a Heritage Enterprise scheme application and to allow a condition survey for the purposes of making the first-round application (Sep 2015).

- Agree which organisation is to seek the freehold and lead the grant application (Sep 2015).
- Make an application for a start-up grant (Sep 2015).
- Commission a condition survey and a cost estimate of restoring the building as a lyric theatre and as a venue akin to the Theatre of Varieties (Dec 2015).
- Commission a technical assessment of access by delivery vehicles (Dec 2015). This should ascertain the maximum size of vehicle that could use the Ship Street entrance; the maximum that could use the Middle Street entrance; size of vehicles used by touring productions.
- Find one or more potential development/operational partners that will confirm to HLF that they would be interested in the scheme.
- Submit the first-round application to HLF Heritage Enterprise scheme, including a development-grant request (Feb 2016).
- Invite expressions of interest from potential development partners for all uses, including a theatre capable of taking large touring productions, a flexible events venue and a venue along the lines of The Theatre of Varieties. (Jan 2016 – Mar 2016).
- On receipt of a first-round pass and development funding (May 2016), select a partner and scheme that has the best fit with the aspirations of the new freeholder. Involve the people of Brighton and Hove in making this choice if there is a selection of good proposals. (May – June 2016).
- Work up the scheme in detail with the development / operating partner, submit a planning application and make the Stage 2 HLF application (July – Dec 2016).
- Make a second-round HLF Heritage Enterprise scheme application (Feb 2017).
- HLF decision (May 2017).
- Ownership transferred to trust (June 2017)
- Start project delivery (May 2017).
- Open venue (Mid 2018).

1 LIST DESCRIPTION

Brighton ice rink, now bingo hall. Opened in 1897. Enlarged and converted into a circus and theatre called The Hippodrome in 1901, architect Frank Matcham; further enlarged by the addition of 2 houses to the north in 1939. Probably brick, stone, and/or terracotta all now painted, and the greater part of the building now rendered; roof obscured by parapet. Apart from the 1939 enlargement, the building is symmetrical and laid out on a long front along Middle Street; there are 3 elements. EXTERIOR: the central part under a lean-to roof consists essentially of 3 elliptical arches at the centre with fluted pilasters, pulvinated frieze and moulded archivolt; the 2 outer arches give onto flat-arched entrances; the central arch encloses a window with sidelights and fanlight, all with decorative leaded glass; in the sides of the 2 porches are decorative panels of opalescent glass lettered 'HIPPODROME'. On either side of this porch, one flat-arched window with central mullion; cornice of egg-and-dart moulding; the building rises at the back above the lean-to roof with a central panel lettered 'HIPPODROME' set forward; dentil and modillion cornice; blocking course, raised at the centre and now much altered. Flanking the centre are 3-storey tower-like elements with a flat-arched entrance at the bottom, the entrance framed by pilasters, cornice and pediment and having panelled door of original design; 2 flat-arched windows above and one door above that; on the inner side is what looks like a large chimneystack, now finished off with new brickwork to the parapet. The outer elements are a pair of single-storey entrances; the entrance itself 4-centred, the mouldings dying into a chamfer at the side; panelled doors of original design to the left-hand entrance and original 3-sided decorative lamps above; entrances framed by blocked Ionic engaged columns with pulvinated frieze and modillion cornice; the columns continue as engaged blocked antae above the cornice flanking a broad cartouche, the outline of which is marked by putti and scrolls; egg-and-dart moulding to cornice; the upper floor set well back. INTERIOR: vestibule ceiling decorated with panels of arabesques. The auditorium is horseshoe-shaped in plan and the floor has been raised to accommodate a bingo hall; this runs through proscenium arch over former stage. The ornate decorations in modelled plaster make frequent use of Rococo forms. Proscenium arch with architrave having egg-and-dart moulding; shallow curved pediment over filled with a shell cartouche with Brighton's dolphins intertwined and flanked by female emblematic figures; blank balustrades either side of the pediment and 3 lunettes above filled with musical emblems in the centre and vases and arabesques to either side; 2 tiers of boxes formerly to either side, the upper boxes now only complete, flanked by pilasters with entablature and ribbed onion dome flanked by consoles and urns; the fronts of the boxes and of the gallery are decorated with cartouches, garlands and pendants. The ceiling is divided into radiating segments, each segment being subdivided into 3 panels decorated with shell and other Rococo motifs, the ribs between treated as a double console bracket between the outer and middle panels; central rose with arcaded lantern. (Carder T: The Encyclopedia of Brighton: Lewes: 1990-)

2 MARKET ANALYSIS

2.1 CATCHMENT PROFILE

This section summarises the socio-demographic composition of 0-15, 15-30, 30-45 and 45-60 minute drive bands from Brighton using the 16 Mosaic groups. Figure 49 summarises the nature of each group.

Figure 49: Description of Mosaic groups

City Prosperity
City Prosperity work in high status positions. Commanding substantial salaries they are able to afford expensive urban homes. They live and work predominantly in London, with many found in and around the City or in locations a short commute away. Well-educated, confident and ambitious, this elite group is able to enjoy their wealth and the advantages of living in a world-class capital to the full.

Prestige Positions
Prestige Positions are affluent married couples whose successful careers have afforded them financial security and a spacious home in a prestigious and established residential area. While some are mature empty-nesters or elderly retired couples, others are still supporting their teenage or older children.

Country Living
Country Living are well-off homeowners who live in the countryside often beyond easy commuting reach of major towns and cities. Some people are landowners or farmers, others run small businesses from home, some are retired and others commute distances to professional jobs.

Rural Reality
Rural Reality are people who live in rural communities and generally own their relatively low cost homes. Their moderate incomes come mostly from employment with local firms or from running their own small business.

Senior Security
Senior Security are elderly singles and couples who are still living independently in comfortable homes that they own. Property equity gives them a reassuring level of financial security. This group includes people who have remained in family homes after their children have left, and those who have chosen to downsize to live among others of similar ages and lifestyles.

Suburban Stability
Suburban Stability are typically mature couples or families, some enjoying recent empty-nest status and others with older children still at home. They live in mid-range family homes in traditional suburbs where they have been settled for many years.

Domestic Success
Domestic Success are high-earning families who live affluent lifestyles in upmarket homes situated in sought after residential neighbourhoods. Their busy lives revolve around their children and successful careers in higher managerial and professional roles.

Aspiring Homemakers
Aspiring Homemakers are younger households who have, often, only recently set up home. They usually own their homes in private suburbs, which they have chosen to fit their budget.

Family Basics

Family Basics are families with children who have limited budgets and can struggle to make ends meet. Their homes are low cost and are often found in areas with fewer employment options.

Transient Renters

Transient Renters are single people who pay modest rents for low cost homes. Mainly younger people, they are highly transient, often living in a property for only a short length of time before moving on.

Municipal Challenge

Municipal Challenge are long-term social renters living in low-value multi-storey flats in urban locations, or small terraces on outlying estates. These are challenged neighbourhoods with limited employment options and correspondingly low household incomes.

Vintage Value

Vintage Value are elderly people who mostly live alone, either in social or private housing, often built with the elderly in mind. Levels of independence vary, but with health needs growing and incomes declining, many require an increasing amount of support.

Modest Traditions

Modest Traditions are older people living in inexpensive homes that they own, often with the mortgage nearly paid off. Both incomes and qualifications are modest, but most enjoy a reasonable standard of living. They are long-settled residents having lived in their neighbourhoods for many years.

Urban Cohesion

Urban Cohesion are settled extended families and older people who live in multi-cultural city suburbs. Most have bought their own homes and have been settled in these neighbourhoods for many years, enjoying the sense of community they feel there.

Rental Hubs

Rental Hubs contains predominantly young, single people in their 20s and 30s who live in urban locations and rent their homes from private landlords while in the early stages of their careers, or pursuing studies.

2.1.1 0-15 MINUTE DRIVETIME

Figure 50: Mosaic profile of 0-15 minute drive time

0-15 Minute Drivetime from BN1 1AL			Index
Mosaic Group		Count	0 50 100 150 200
A	City Prosperity	39,299	
B	Prestige Positions	11,556	
C	Country Living	280	
D	Rural Reality	191	
E	Senior Security	20,326	
F	Suburban Stability	10,451	
G	Domestic Success	31,348	
H	Aspiring Homemakers	17,371	
I	Family Basics	24,570	
J	Transient Renters	2,550	
K	Municipal Challenge	13,760	
L	Vintage Value	9,950	
M	Modest Traditions	5,059	
N	Urban Cohesion	0	
O	Rental Hubs	0	
	Total:	186,711	

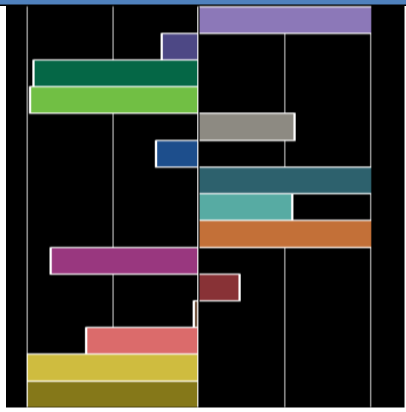
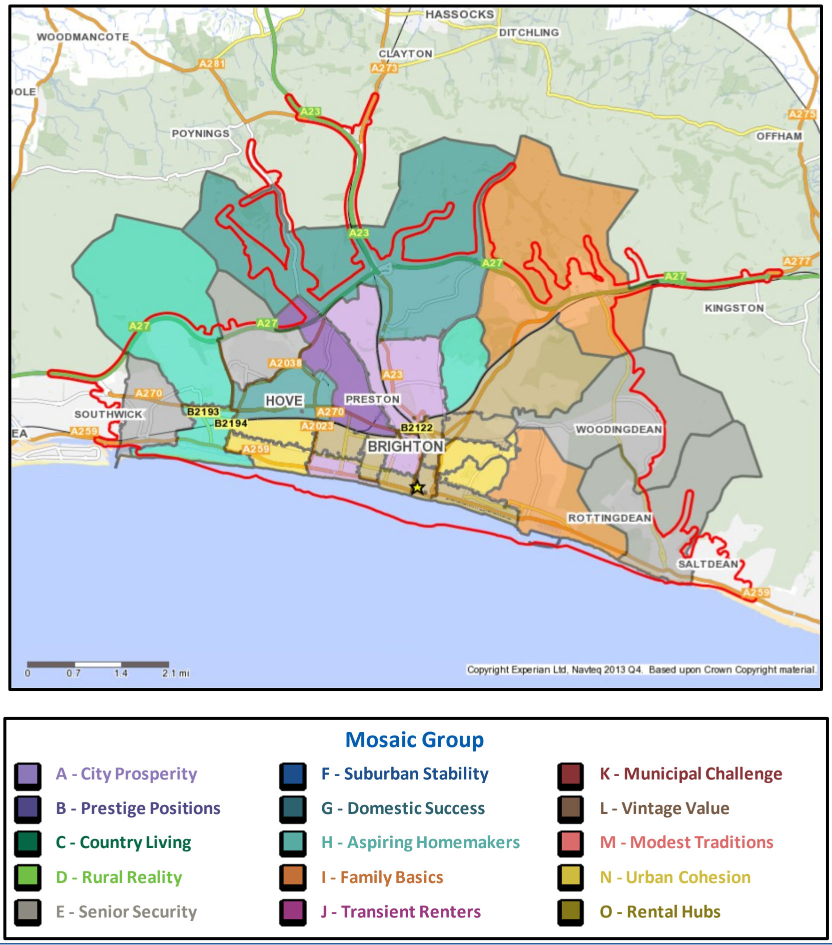


Figure 51: Mosaic Map of 15 minute travel time catchment showing group with greatest representation in each postcode sector



2.1.2 15-30 MINUTE DRIVETIME

Figure 52: Mosaic Groups in the 15-30 Minute Band

15-30 Min Drivetime from BN1 1AL Mosaic Group		Count
A	City Prosperity	1,190
B	Prestige Positions	29,800
C	Country Living	21,770
D	Rural Reality	12,259
E	Senior Security	49,256
F	Suburban Stability	30,559
G	Domestic Success	38,532
H	Aspiring Homemakers	41,454
I	Family Basics	18,476
J	Transient Renters	9,558
K	Municipal Challenge	2,848
L	Vintage Value	16,517
M	Modest Traditions	5,059
N	Urban Cohesion	0
O	Rental Hubs	0
	Total:	277,278

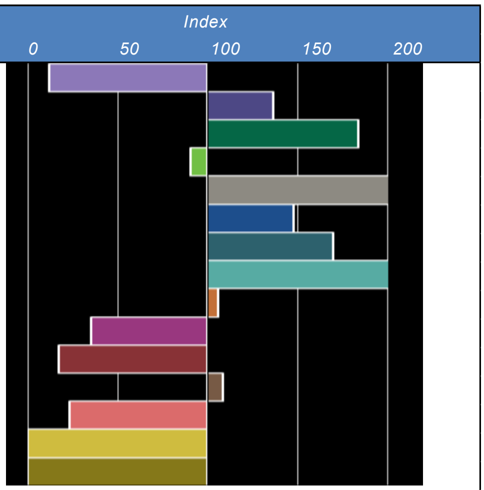
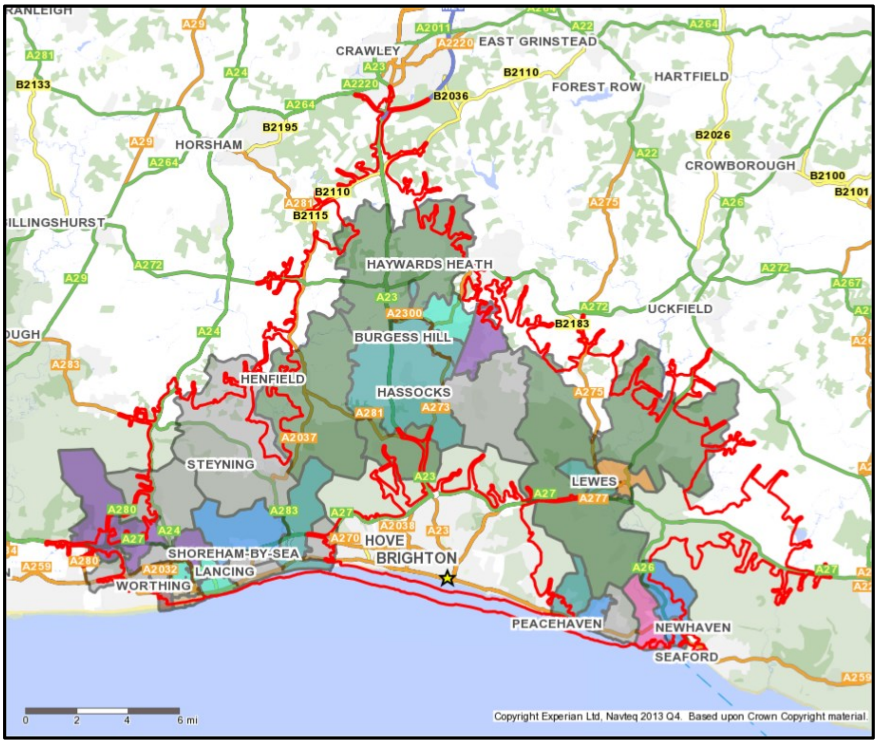


Figure 53: Mosaic Map of 15-30 Minute Catchment showing the Mosaic group with highest representation in each postcode sector



Mosaic Group

A - City Prosperity	F - Suburban Stability	K - Municipal Challenge
B - Prestige Positions	G - Domestic Success	L - Vintage Value
C - Country Living	H - Aspiring Homemakers	M - Modest Traditions
D - Rural Reality	I - Family Basics	N - Urban Cohesion
E - Senior Security	J - Transient Renters	O - Rental Hubs

2.1.3 30-45 MINUTE DRIVETIME

Figure 54: Mosaic Groups in the 30-45 Minute Band

Mosaic Group		Count
A	City Prosperity	837
B	Prestige Positions	81,344
C	Country Living	56,039
D	Rural Reality	29,867
E	Senior Security	85,467
F	Suburban Stability	37,159
G	Domestic Success	67,456
H	Aspiring Homemakers	68,266
I	Family Basics	42,552
J	Transient Renters	22,467
K	Municipal Challenge	5,591
L	Vintage Value	29,310
M	Modest Traditions	5,059
N	Urban Cohesion	0
O	Rental Hubs	0
	Total:	531,414

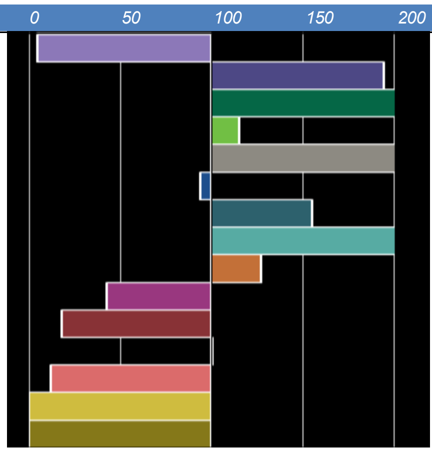
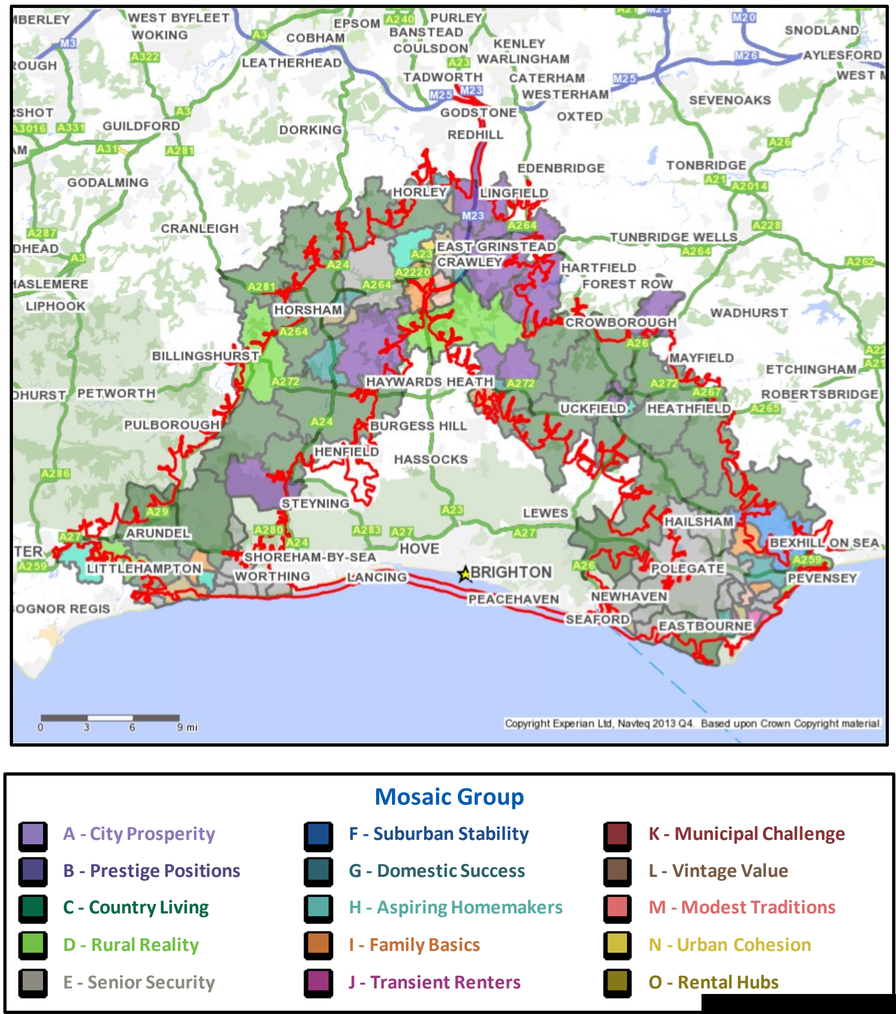


Figure 55: Mosaic Map of 30-45 Minute Catchment showing the Mosaic group with highest representation in each postcode sector



2.1.4 45-60 MINUTE DRIVETIME

Figure 56: Mosaic Groups in the 45-60 minute band

45-60 Min Drivetime from BN1 1AL		
Mosaic Group		**Count**
A	City Prosperity	5,642
B	Prestige Positions	145,097
C	Country Living	63,612
D	Rural Reality	28,519
E	Senior Security	65,225
F	Suburban Stability	27,451
G	Domestic Success	103,400
H	Aspiring Homemakers	52,649
I	Family Basics	28,284
J	Transient Renters	14,634
K	Municipal Challenge	3,445
L	Vintage Value	32,830
M	Modest Traditions	5,059
N	Urban Cohesion	0
O	Rental Hubs	0
	Total:	575,847

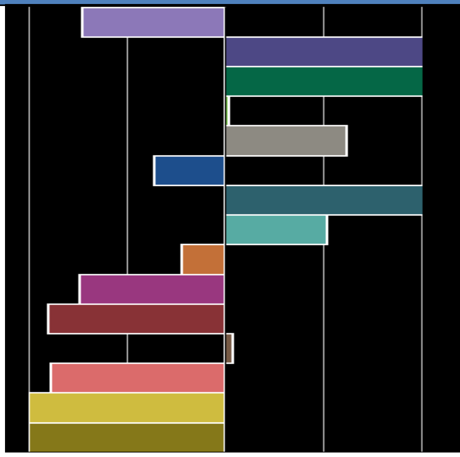
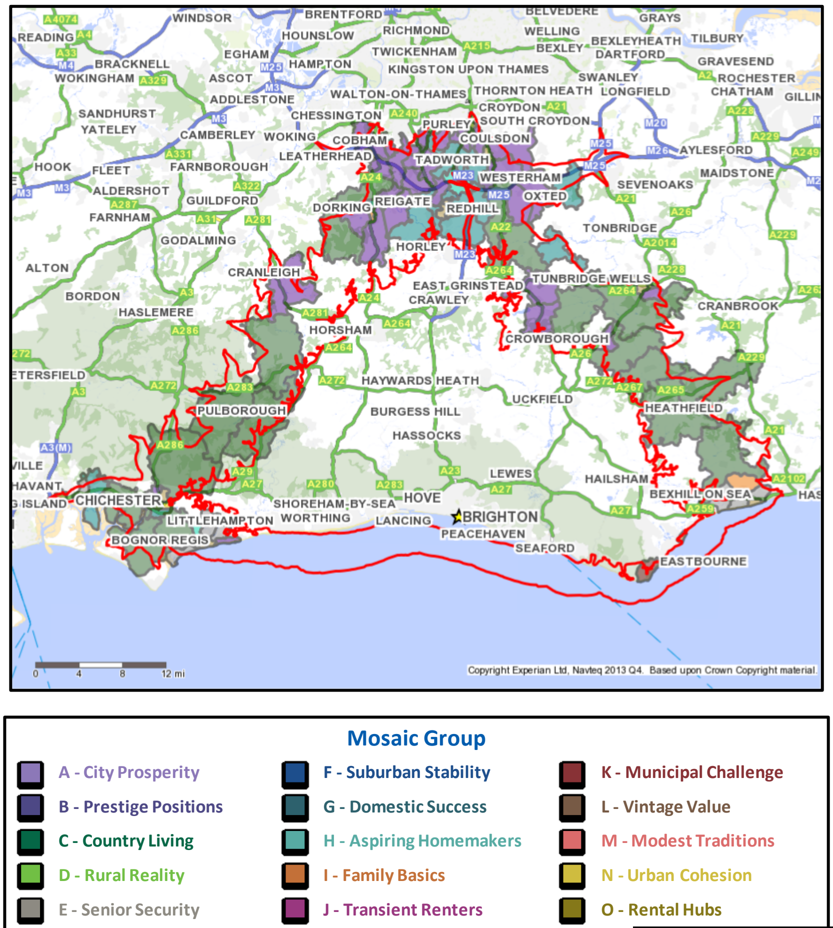


Figure 57: Mosaic Map of 45-60 Minute Catchment showing the Mosaic group with highest representation in each postcode sector

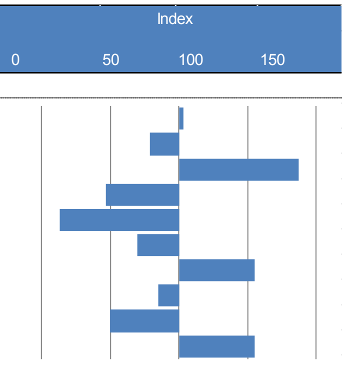


2.2 ETHNIC PROFILE

Almost 90% of the population of the city is white, which is a little above the national average. The city has low proportions of people of Asian and African extraction compared to others. A significant number are defined as “mixed/multiple”.

Figure 58: Ethnic Profile of Brighton and Hove

Ethnicity	Residents	%	National Average	Index
Population	285,793	100%	100%	100
White	255,134	89.3%	87.1%	103
Gypsy / Traveller / Irish Traveller	225	0.1%	0.1%	79
Mixed / Multiple Ethnic Groups	10,563	3.7%	2.0%	187
Asian / Asian British: Indian	3,059	1.1%	2.3%	47
Asian / Asian British: Pakistani	685	0.2%	1.9%	13
Asian / Asian British: Bangladeshi	1,435	0.5%	0.7%	70
Asian / Asian British: Chinese	3,036	1.1%	0.7%	155
Asian / Asian British: Other Asian	3,323	1.2%	1.4%	85
Black / African / Caribbean / Black British	4,273	1.5%	3.0%	50
Other Ethnic Group	4,060	1.4%	0.9%	155



Source: Experian Census Demographic Report 2011

2.3 TOURISM

Information about the number and nature of tourists to Brighton and Hove is contained in a report prepared for VisitBrighton by the Research Unit of Tourism South East. The most recent report covers 2013.

It uses data from a variety of sources, notably:

- The Great Britain Tourism Survey (GBTS): an ongoing national survey of visits of one night or more by residents of Great Britain to other places in Britain.
- International Passenger Survey (IPS): an ongoing survey of visitors to Britain which is carried out at main entry points to the country.
- UK Occupancy Survey: an ongoing survey of occupancy rates of serviced accommodation providers.

The Cambridge Tourism Economic Impact Model or ‘Cambridge Model’; a computer-based model developed by Geoff Broom Associates and the Regional Tourist Boards of England in the late 1990s, is used to process the data into estimates of the volume and value of tourism and the jobs sustained by it.

GBTS and IPS are intended mainly to generate statistics at national and regional level. Data that they provide at local level needs to be treated with caution because it is typically based on small sample levels. Estimates of day visits are subject to even greater caution as it is almost impossible to calculate them accurately.

Further information about the nature of visits to Brighton and Hove <u>for purposes of leisure</u> is provided by the Brighton and Hove Visitor Survey 2014, which was undertaken by Tourism South East for VisitBrighton over July to September 2014. 946 adults were interviewed. It was a repeat of a survey underta

2.3.1 OVERVIEW

Tourists are made up of a mix of staying visitors (defined as people staying in the area for one or more nights) and day visitors (people visiting the area from home or a holiday base). Figure 59 shows the split according to the Visitor Survey.

Figure 59: Nature of visitors interviewed for Brighton and Hove Visitor Survey

Day visitors from home:	43%
Day visitors from a holiday base outside the city:	18%
Staying visitors:	39%

Source: Brighton and Hove Visitor Survey 2014

23% of all visitors surveyed were from overseas. This was up from 17% in 2009. Figure 60 shows their origin. Western European countries are the primary markets.

Figure 60: Country of Origin of Overseas Visitors to Brighton and Hove

Germany	15%	Rep. of Ireland	4%
Spain	13%	Russia	3%
Netherlands	12%	Canada	3%
France	11%	Scandinavia	2%
Australasia	9%	China	2%
Italy	7%	Belgium	2%
United States	4%	Other	14%
		Total:	100%

Source: Brighton and Hove Visitor Survey 2014

Figure 61 shows that two thirds of groups involve either one or two adults. Only a quarter of groups are accompanied by one or more children. Children accounted for 18% of visitors.

Figure 61: Composition of visitor parties

One adult	20%
Two adults	44%
Three adults	6%
Four adults	5%
Five+ adults	1%
Adults only	76%
One adult and one child	3%
One adult and two or more children	2%
Two adults and one child	6%
Two adults and two or more children	9%
Three adults and one child	1%
Three adults and two or more children	2%
Four or more adults with one or more childr	2%
Adults and children:	25%

Source: Brighton and Hove Visitor Survey 2014

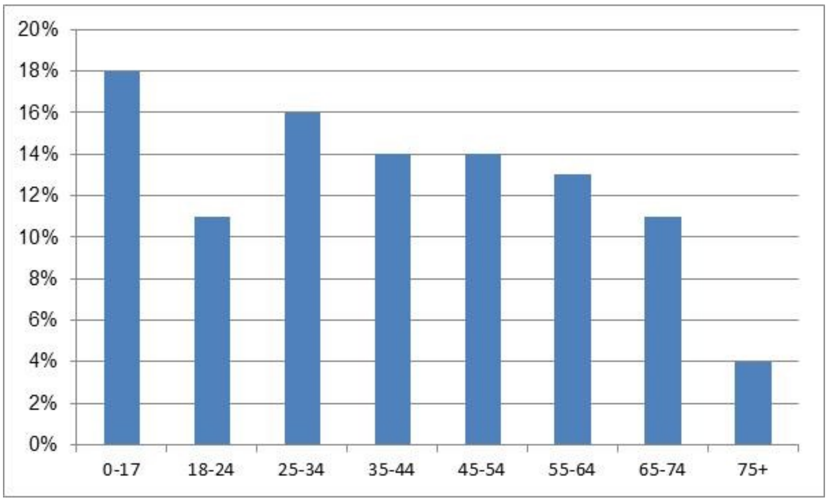
Figure 62 and Figure 63 show that the visitor profile has a young bias.

Figure 62: Age of Visitors

	All visitors 2014	Day Visitors from Home	Day Visitors on Holiday	Staying Visitors
0-17	18%	22%	19%	12%
18-24	11%	12%	9%	10%
25-34	16%	13%	15%	19%
35-44	14%	10%	17%	16%
45-54	14%	11%	15%	16%
55-64	13%	14%	11%	13%
65-74	11%	13%	8%	10%
75+	4%	4%	6%	3%

Source: VisitBrighton, Brighton Visitor Survey 2014

Figure 63: Age Profile of All Visitors



Source: VisitBrighton, Brighton Visitor Survey 2014

Figure 65 shows that the seafront is a major factor bringing people to Brighton. Almost all visitors go there. A large majority of them also, however, spend time walking around the city, having a meal and shopping. About 10% of those surveyed said that they have been to at least one film or live entertainment event.

The popularity of eating out in the city reflects in the amount which visitors spend on it. It is substantially more than on shopping.

Figure 64: Average expenditure per day by visitors

	Domestic Staying Visitors	%	Overseas Staying Vistiors	%	Day Visitors on holiday	%	Day visitors from home	%
Accommodation	£84.67	61%	£66.82	64%				
Eating out	£27.32	20%	£18.83	18%	£15.59	42%	£12.92	41%
Shopping	£14.56	10%	£3.65	3%	£10.56	29%	£10.03	32%
Entertainment	£6.16	4%	£7.26	7%	£5.47	15%	£3.16	10%
Travel	£6.33	5%	£8.07	8%	£5.27	14%	£5.15	16%
	£139.04	100%	£104.63	100%	£36.89	100%	£31.26	100%

Source: Brighton Visitor Survey 2014

Figure 65: Activities undertaken by visitors to Brighton

Visiting the beach/seafront	87%
Just walking around	78%
Going to a restaurant or place to eat out	75%
Visiting tourist attraction	60%
Shopping	59%
Relaxing/enjoying view/picknicking etc	43%
Visit a pub/club	36%
Viewing architecture	19%
Going to see a film/show/gig/theatre	11%
Walking/cycling in surrounding countryside	6%
Going to an event	4%
Going on organised trip/tour	4%
Pursuing a hobby/special interest	4%
Pursuing a water sport/interest	3%
Other	1%

Source: Brighton Visitor Survey 2014

Ease of getting to the city is its highest rated attribute. “Vibrant cosmopolitan atmosphere” has a notably high rating, as does the choice of nightlife. Visitors are less positive about the quality of the public realm and places to eat and drink.

Figure 66: Visitor ratings of aspects of their experience in Brighton

Ease of getting there	8.9
Vibrant cosmopolitan atmosphere	8.8
Choice of nightlife/evening entertainment	8.8
City heritage	8.7
Feeling safe and secure in the City	8.6
Quality of visitors attractions and other places to visit	8.6
Quality of the shopping	8.6
Quality of places to eat and drink	8.5
Quality of beach-seafront	8.3
Quality and value for money of accommodation	8.2
Cleanliness of streets	7.5
Ease of driving around the city	7.3
Ease of parking	7.1
Value for money of parking	5.1

2.3.2 STAYING VISITS

There were about 1,482,000 staying trips to Brighton & Hove by all tourists in 2013. This was made up of 1,119,000 visits by people who live in the UK (76%) and 363,000 visits by people who live overseas (24%). Overnight trips resulted in c.4.8m visitor nights in 2013 with an average length of stay of 2.35 nights for domestic tourists and 6.05 nights for visitors from overseas. Staying visitors are estimated to have spent c.£500 million in the city.

The main reasons for visiting In Brighton and Hove, as in all cities, split between people coming to see friends and relatives, people coming for a short break or holiday, and people coming for business (which in turn splits between those coming for conferences and exhibitions and those making independent business trips directly related to their work). Those coming for short break or holiday are normally the most likely to take advantage of entertainment and attractions, although people visiting friends and relatives have a reasonably high propensity to do so also. Some business people and conference delegates will also spend on entertainment and attractions.

It is particularly difficult to separate out people who are coming for holidays from those coming to see friends and family because people, when surveyed, often say that their reason for going to a place was to holiday even though they stayed with friends and family and probably would not have made the trip if it was not for the presence of those friends and family. This factor explains why large cities always have large tourist numbers even if they are not known as tourism destinations.

GBTS estimates that c.1 million visits per annum, involving at least one night away from home, were made to Brighton and Hove per annum by UK residents over 2012-4 of which about 400,000 per annum are for purpose of holiday or short break. Figure 67 shows that this puts Brighton and Hove at 18th place in the UK for visits by UK residents for holiday trips.

Figure 67: Top 20 Local Authorities for staying visits by UK residents

Top 20 Total Trips			Holiday Trips (thousands)	
1	London	12,305	London	3,791
2	Manchester	2,756	Scarborough	1,259
3	Birmingham	2,267	Blackpool	1,144
4	Bristol	1,921	Manchester	1,070
5	Liverpool	1,678	York	806
6	Leeds	1,660	Liverpool	703
7	Scarborough	1,597	Isle of Wight	650
8	Blackpool	1,356	Birmingham	617
9	York	1,268	Skegness	537
10	Nottingham	1,132	Nottingham	510
11	Newcastle upon Tyne	1,081	Bournemouth	505
12	Brighton and Hove	1,023	Leeds	485
13	Sheffield	1,010	Newquay	433
14	Isle of Wight	972	Great Yarmouth	432
15	Bournemouth	890	Bristol	423
16	Southampton	822	Lancaster	420
17	Coventry	764	Berwick-upon-Tweed	417
18	Norwich	757	Brighton and Hove	382
19	Portsmouth	743	Windermere	379
20	Chester	709	Chester	375

Figure 68 shows the accommodation that visitors used. Tourism accommodation in Brighton and Hove is much more orientated to serviced accommodation[31] than self-catering accommodation. This is indicative of the fact that holiday tourism to Brighton is orientated towards short breaks rather than longer stays, as Figure 69 shows. It is different to places like Bournemouth in that respect. A substantial proportion of overseas visitors spend a long time in the city.

Figure 68: Staying Visitors by Accommodation Used

Table 1: Number of staying trips by accommodation

	UK	%	Overseas	%	Total	%
Serviced	612,000	55%	198,000	55%	810,000	55%
Non-serviced	32,000	3%	6,000	2%	38,000	3%
Group/campus	9,000	1%	27,000	7%	36,000	2%
Second homes	2,000	0%	2,000	1%	4,000	0%
Boat moorings	3,000	0%	0	0%	3,000	0%
Paying guests	0	0%	36,000	10%	36,000	2%
VFR home	461,000	41%	93,000	26%	554,000	37%
Total 2013	1,119,000		363,000		1,482,000	
Total 2012	1,126,000		345,000		1,471,000	
% change	-0.6%		5.2%		0.7%	

Table 2: Number of nights by accommodation

	UK	%	Overseas	%	Total	%
Serviced	1,329,000	51%	727,000	33%	2,056,000	43%
Non-serviced	103,000	4%	120,000	5%	223,000	5%
Group/campus	44,000	2%	163,000	7%	207,000	4%
Second homes	23,000	1%	25,000	1%	48,000	1%
Boat moorings	16,000	1%	0	0%	16,000	0%
Paying guests	0	0%	293,000	13%	293,000	6%
VFR home	1,112,000	42%	869,000	40%	1,981,000	41%
Total 2013	2,627,000		2,196,000		4,823,000	
Total 2012	2,676,000		2,166,000		4,842,000	
% change	-1.8%		1.4%		-0.4%	

Table 3: Spend by accommodation

	UK	%	Overseas	%	Total	%
Serviced	£193,404,000	73%	£120,429,000	53%	£313,833,000	63%
Non-serviced	£5,451,000	2%	£9,088,000	4%	£14,539,000	3%
Group/campus	£2,323,000	1%	£10,669,000	5%	£12,992,000	3%
Second homes	£1,340,000	1%	£2,201,000	1%	£3,541,000	1%
Boat moorings	£790,000	0%	£0	0%	£790,000	0%
Paying guests	£0	0%	£19,012,000	8%	£19,012,000	4%
VFR home	£62,348,000	23%	£67,617,000	30%	£129,965,000	26%
Total 2013	£265,657,000		£229,015,000		£494,672,000	
Total 2012	£283,267,000		£213,525,000		£496,792,000	
% change	-6.2%		7.3%		-0.4%	

Source: The Economic Impact of Tourism in Brighton and Hove, 2013.

[31] i.e. hotels and guest houses – predominantly hotels in the case of Brighton and Hove.

Figure 69: Length of stay of Staying Tourists

	Domestic Visitors	Overseas Visitors
1 night	16%	5%
2-3 nights	41%	33%
4-7 nights	36%	24%
8-14 nights	4%	22%
Over 14 nights	3%	16%
Total:	100%	100%

Source: Brighton Visitor Survey 2014

2.3.3 DAY TRIPS

Around 9.5m day trips were made to Brighton & Hove in 2013 generating estimated £336 million expenditure in the city[32].

The visitor survey found that most of those visiting from home come from elsewhere in the South East region and London. Figure 70 shows roughly the number of trips this may represent.

Figure 70: Home location of day trips to Brighton by people visiting from home and the number of annual trips by them

Home Location	% of Trips	Trips
South East	43%	2,860k
London	38%	2,527k
South West	10%	665k
Other	9%	599k
Total:	100%	6,650k

Source: Brighton Visitor Survey 2014

People making day trips from a holiday base are particularly likely to come from East Sussex, although a significant number of people make a day trip to Brighton as part of a holiday or short break to London.

Figure 71: Home location of day trips to Brighton by people visiting from holiday base elsewhere and the estimated number of annual trips by them

Home Location	% of Trips	Trips
East Sussex	56%	1,596k
London	18%	513k
West Sussex	17%	485k
Other	9%	257k
Total		2,850k

2.3.4 HOTELS

[32] There is additional expenditure in getting to the city. Source: Economic Impact of Tourism to Brighton and Hove.

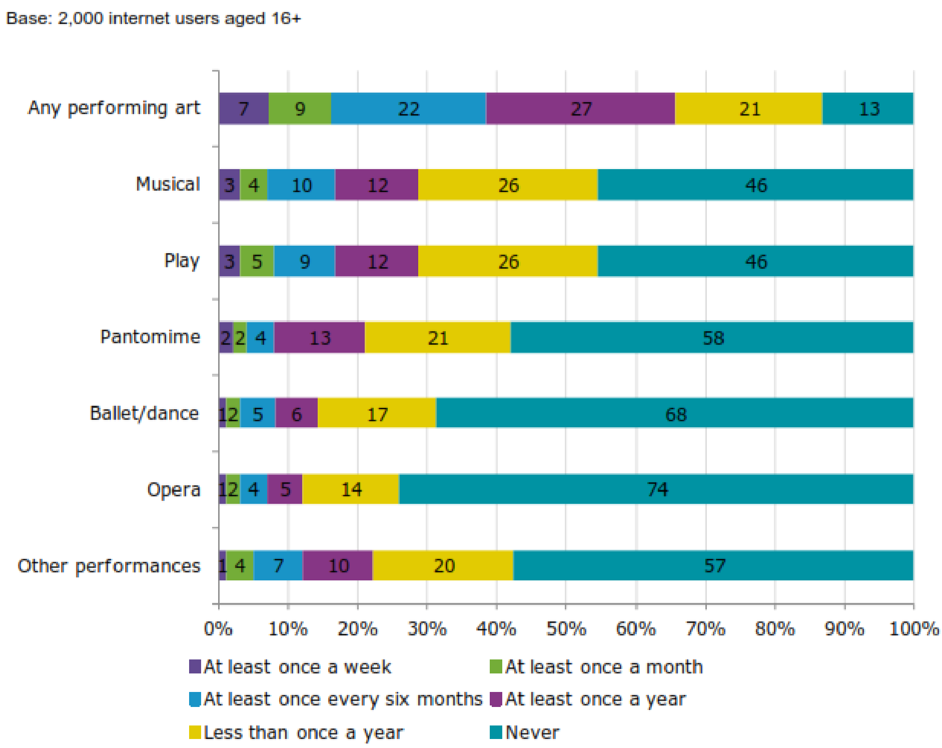
3 THEATRE

3.1 MARKET OVERVIEW

77% of adults in the UK attended or participated in the arts in Q1 2014/15. This remains largely unchanged since 2005/06 levels. 36% of adults in the UK are interested in musicals and 33% are interested in plays, thus making them the 2nd and 3rd most popular art forms (behind film)[33].

65% of those surveyed by Mintel via an internet panel said that they attended a performing arts show of some kind at least once a year.

Figure 72: Performing Arts Attended



Source: Lightspeed GMI/Mintel, September 2014

London and the South East account for about a quarter of UK theatregoers[34], but a far larger share of attendances. The British Theatre Consortium[35] claims London and the SE is where 62% of all theatre attendances are, and is where 56% of all UK theatre productions are held.

London theatres had a record year in 2013 with 14.6m attendees and £585 m taken at the box office. Musicals accounted for 56% of attendances; plays accounted for 29%.

[33] DCMS Taking Part Survey / Mintel Performing Arts, December 2014.
[34] Ticketmaster, State of Play: Theatre UK Sept 2013
[35] British Theatre Repertoire, 2013

Figure 73: London Theatre attendance by genre, 2012-13

	2012 attendance 000s	% share	2013 attendance 000s	% share	% change 2012-13
Musicals	7,970	56.9	8,198	56.2	+2.9
Plays	4,113	29.4	4,248	29.1	+3.3
Dance	908	6.5	946	6.5	+4.2
Entertainment	480	3.4	630	4.3	+31.3
Opera	465	3.3	520	3.6	+11.8
Performance	57	0.4	45	0.3	-21.1
Total	**13,993**	**100.0**	**14,587**	**100.0**	**+4.3**

Source: SOLT/Mintel

About 2.8m overseas visitors to the UK attended either a play, musical, opera or ballet performance in 2013. 24% of tourists to London (c.2m) did this, but significant numbers of visitors in the region did so also (9% of visitors to the Midlands and North West, for example).

3.2 LYRIC THEATRES

3.2.1 OVERVIEW

So called "lyric theatres" are designed to present plays, musicals, opera, and ballet. Facilities needed to do this include a large stage with stage machinery, a full fly tower for scenery behind a proscenium arch, and an orchestra pit.

Modern auditorium technology can create flexible seating plans. Raked stalls seating can be retracted and replaced by a flat floor for promenade concerts or jazz/pop concerts where many people like to be able to stand and dance. The stage itself can be made almost infinitely flexible and configurable.

A producing house is a theatre that produces its own shows in house. A producing house normally has rehearsal rooms and workshop space in which to construct and paint sets and to have rehearsals. Most producing theatres are subsidised, normally by Arts Council England (ACE) and the local authority.

A receiving house does not produce its own repertoire but instead hosts touring theatrical productions and other shows. Touring musicals typically play for 1 or 2 weeks in regional venues. Other productions normally play for shorter periods.

Many theatres are mainly receiving houses also create some productions in house, if only the annual pantomime. Theatres that produce work also take touring productions.

Touring productions are put on by promoters. They raise the finance needed and commission the work. A touring musical typically costs £5 million+ to produce.

The promoter normally shares the box office takings with the venue in a ratio of between 20/80 (venue/promoter) and 30/70. They often request a minimum guaranteed payment, especially when a venue is new and untested.

They expect the venue to provide marketing and box office.

Theatres able to accommodate larger touring productions become part of what is often called the “Number 1” touring circuit of large regional theatres. These theatres need large stages, extensive wing space and advanced technical facilities.

The circuit includes huge buildings such as the 3,000 seat Edinburgh Playhouse and the 2,350 seat Liverpool Empire. It ranges down in size to venues like the Newcastle Theatre Royal, the Milton Keynes Theatre and Llandudno Cymru, which accommodate 1,200–1,500.

It is generally reckoned that it is difficult to make a profit in one of these theatres without at least 1,200 seats[36].

A large number are managed by the Ambassador Theatre Group (ATG). Figure 74 shows the regional theatres which ATG either own or have long leases on. Only two of them have a capacity of less than 1,300, the Brighton Theatre Royal being the smallest.

Figure 74: Regional Theatres that ATG owns or have on long lease

Venue	*Location*	*Seated Capacity*
Edinburgh Playhouse	Edinburgh	3,056
Manchester Palace Theatre	Manchester	1,955
Bristol Hippodrome	Bristol	1,951
Manchester Opera House	Manchester	1,915
New Alexandra Theatre	Birmingham	1,347
New Victoria Theatre	Woking	1,304
York Grand Opera House	York	1,032
Theatre Royal	Brighton	966

Figure 75 shows the theatres which ATG runs on behalf of other organisations, mainly local authorities, on a management contract. Most of them are also over 1,200 seats.

[36] More specifically, there is a rule of thumb that a venue can made a surplus below 500 seats and above 1,200, but it is very difficult to do so between the two. This does not mean, of course, that a venue matching those criteria will automatically make a profit.

Figure 75: Regional theatres managed by ATG on management contracts or short term leases

Venue	Location	Seats	Information
Liverpool Empire	Liverpool	2,348	Managed on behalf of The Empire Theatre (Merseyside) Trust Ltd., a trust set up by Merseyside County Council in
Sunderland Empire	Sunderland	1,868	Managed on behalf of Sunderland Empire Theatre Trust (whose trustees are appointed by the Council).
King's Theatre	Glasgow	1,785	Managed, via subsidiary Glasgow Theatres Ltd., from Glasgow City Council on a 21-year lease from 2002.
New Theatre	Oxford	1,785	Leased from Oxford City Council.
Theatre Royal	Glasgow	1,547	Managed for owners Scottish Opera.
Princess Theatre	Torquay	1,500	Leased from Torbay Council.
Regent Theatre	Stoke-on-Trent	1,400	10-year contract from 2012 from Stoke-on-Trent City Council. Subsidy for this and Victoria Hall of £626,000 in 2012/13.
Milton Keynes Theatre	Milton Keynes	1,400	Managed, through wholly owned subsidiary, Milton Keynes Theatre Ltd, for the Milton Keynes Theatre & Gallery Company (a charitable body).
Grimsby Auditorium	Grimsby	1,200	Managed on behalf of North East Lincolnshire Council.
Waterside Theatre	Aylesbury	1,198	Managed under 15-year contract (from 2010) with Aylesbury Vale DC. Subsidy £1.75m for 2010-2015.
Leas Cliff Hall	Folkestone	872	Managed for Shepway District Council. 20-year contract from 2003.
Churchill Theatre	Bromley	781	5-year contract (from April 2011) from Bromley Council.

ATG has some competitive advantage because it produces about 23 shows a year itself which tour its venues.

It is normal for receiving theatres to include ‘barring clauses’ in their contracts which prevent a show from coming to any other venue within a given radius within a certain time (e.g. fifteen miles and six months).

ATG are not the only option as an operator, however. Figure 76 shows a selection of independently managed presenting theatres of that are similar to what the Hippodrome, as a lyric theatre, might be like. These and others belong to a consortium that produces shows in the way that ATG does.

Figure 76: Independent Presenting Theatres

Location	Theatre	Seats	Organisation
Southampton	Mayflower	2,300	Mayflower Theatre Trust
Bradford	Alhambra	1,464	Bradford City Council
Newcastle	Theatre Royal	1,294	Newcastle Theatre Royal Trust Ltd
Wolverhampton	Grand	1,200	Wolverhampton Grand Theatre (1982) Ltd
Nottingham	Theatre Royal	1,186	Nottingham City Council
Sheffield	Lyceum	1,099	Sheffield Theatres Trust

There is another significant group called HQ Theatres. It is a subsidiary of Qdos Entertainment, a production and artist management company. It operates 11 regional theatres including The Cliffs Pavilion in Southend-on-Sea, the Wycombe Swan and the Watford Coliseum. Most HQ venues are under management contracts with the local authority that include an annual subsidy. HQ has a reputation for being good at generating revenue from catering and has an in house catering operation.

Large theatres often have a second, smaller auditorium that can be used for community and educational productions, ‘fringe’ or experimental theatre, and smaller touring productions.

The New Wimbledon Theatre has, for example, the Wimbledon Studio Theatre. The main programming in the main house is a mix of light entertainment such as comedy, orchestra, opera and children’s shows; the 70 seat Studio Theatre shows more experimental theatrical productions and community and amateur groups. It receives regular Arts Council funding to pay for that. The Aylesbury Waterside has a 200-seat studio auditorium.

3.2.2 THEATRE ROYAL NORWICH

The Theatre Royal in Norwich is run by a charitable trust and operates without a subsidy, although the building it occupies is owned by Norwich City Council and the rent is a peppercorn.

Figure 77 to Figure 79 shows the theatre’s programme in 2013-4, and the Figures below this summarise the composition of the programme and where the audiences come from.

Figure 84 shows a comparison between the results for the Norwich Theatre Royal and benchmark theatres for a range of key variables.

Figure 77: Programme 2013-4 (Part 1)

Start Date	End Date	No. Perfs	Title	Type
03/04/2013	03/04/2013	1	The Soldiers 2013	Personality Concerts
04/04/2013	04/04/2013	1	The Chuckle Brothers 2013	Family Children
05/04/2013	05/04/2013	1	Shaolin Warriors 2013	Personality Concerts
06/04/2013	06/04/2013	1	That'll be the Day 2013	Concerts
11/04/2013	13/04/2013	3	Jerusalem	Studio
10/04/2013	20/04/2013	15	Starlight Express	Musicals
21/04/2013	21/04/2013	1	Russell Kane 2013	Standup Comedy
22/04/2013	27/04/2013	10	The Mousetrap	Popular Comedy Drama
28/04/2013	28/04/2013	1	Solid Silver Sixties 2013	Personality Concerts
03/05/2013	03/05/2013	2	Ugly Duckling	Dance
30/04/2013	04/05/2013	7	The Great Gatsby	Dance
05/05/2013	05/05/2013	2	Enchantment Under A Tree	Amateur
07/05/2013	11/05/2013	7	New Jersey Nights	Musicals
12/05/2013	12/05/2013	1	The Soul Rebels	Personality Concerts
13/05/2013	13/05/2013	1	Woodkid	Personality Concerts
14/05/2013	14/05/2013	1	Mariza 2013	Personality Concerts
15/05/2013	15/05/2013	1	Bang on a Can All Stars	Personality Concerts
17/05/2013	18/05/2013	2	Sequence 8	Family Children
20/05/2013	25/05/2013	8	Noises Off	Quality Drama
26/05/2013	26/05/2013	1	The ELO Experience	Personality Concerts
28/05/2013	01/06/2013	8	Sleeping Beauty on Ice	Dance
02/06/2013	02/06/2013	1	Three Phantoms	Concerts
03/06/2013	08/06/2013	8	The Rocky Horror Show 2013	Musicals
09/06/2013	09/06/2013	1	Dances with Outlaws	Amateur
10/06/2013	15/06/2013	6	Derren Brown 2013	Personality Concerts
16/06/2013	16/06/2013	1	Al Murray 2013	Standup Comedy
17/06/2013	22/06/2013	8	Rising Damp	Popular Comedy Drama
23/06/2013	23/06/2013	1	Marc Almond & Heather Peace	Personality Concerts
24/06/2013	26/06/2013	4	Bohemian Rhapsody	Musicals
27/06/2013	27/06/2013	1	Sing-a-long-a Grease	Musicals
28/06/2013	28/06/2013	1	A Gala Night of Magical Dreams	Amateur
29/06/2013	29/06/2013	1	An Evening of Burlesque 2013	Concerts
30/06/2013	30/06/2013	2	Chris & Pui	Family Children
01/07/2013	06/07/2013	8	High Society	Musicals
07/07/2013	07/07/2013	2	Art	Amateur

Figure 78: Programme 2013-4 (Part 2)

08/07/2013	13/07/2013	8	Birdsong	Quality Drama
21/07/2013	21/07/2013	1	The Ken Dodd Happiness Show 2013	Standup Comedy
15/07/2013	27/07/2013	16	Evita 2013	Musicals
31/07/2013	03/08/2013	5	Sinbad & the Pirate Curse	Family Children
04/08/2013	04/08/2013	2	Milkshake Live	Family Children
05/08/2013	05/08/2013	1	Jimmy Carr	Standup Comedy
06/08/2013	10/08/2013	7	Spirit of the Dance 2013	Dance
26/08/2013	31/08/2013	8	Dreamboats & Petticoats	Musicals
01/09/2013	01/09/2013	1	Jimmy Carr.	Standup Comedy
02/09/2013	07/09/2013	8	Go Back for Murder	Popular Comedy Drama
10/09/2013	14/09/2013	7	Rough Justice	Quality Drama
15/09/2013	15/09/2013	1	Deacon Blue	Personality Concerts
16/09/2013	17/09/2013	2	The Hitchhikers Guide to the Galaxy	Personality Concerts
19/09/2013	21/09/2013	3	Micky Flanagan 2013	Standup Comedy
22/09/2013	22/09/2013	1	Ha Ha Holmes!	Popular Comedy Drama
24/09/2013	29/09/2013	8	Hairspray 2013	Musicals
01/10/2013	05/10/2013	7	People	Quality Drama
06/10/2013	06/10/2013	2	Showtime	Amateur
09/10/2013	12/10/2013	7	A Christmas Carol 2013	Dance
15/10/2013	15/10/2013	1	The Bootleg Beatles	Personality Concerts
17/10/2013	18/10/2013	3	Rambert Dance Company	Dance
19/10/2013	19/10/2013	1	Fireman Sam 2013	Family Children
19/10/2013	19/10/2013	1	Sean Lock 2013 Tour	Standup Comedy
20/10/2013	20/10/2013	1	Britten Sinfonia Within Her Arms	Big Band Orchestral
21/10/2013	26/10/2013	8	12 Angry Men	Quality Drama
27/10/2013	27/10/2013	1	Charlie Landsborough 2013	Personality Concerts
28/10/2013	02/11/2013	8	Save The Last Dance For Me	Musicals
03/11/2013	03/11/2013	1	Sally Morgan 2013	Personality Concerts
05/11/2013	09/11/2013	5	The Glyndebourne Tour	Opera
10/11/2013	10/11/2013	1	Norfolk Schools Project - Hansel & Gretel	NR Schools Project
10/11/2013	10/11/2013	1	An Evening with Pam Ayres 2013	Personality Concerts
12/11/2013	16/11/2013	7	Slava's Snow Show 2013	Family Children
17/11/2013	17/11/2013	1	Serenade for tenor, horns & strings	Big Band Orchestral
19/11/2013	23/11/2013	7	Matthew Bourne's Swan Lake 2013	Dance
04/12/2013	07/12/2013	4	Feathers in the Snow	Studio
25/11/2013	07/12/2013	16	Priscilla Queen of the Desert	Musicals

Figure 79: Programme 2013-4 (Part 3)

20/12/2013	20/12/2013	1	The Ukulele Orchestra 2013	Personality Concerts
30/12/2013	31/12/2013	3	New Year Music Hall 2013	Studio
07/01/2014	07/01/2014	1	Beyond the Barricade 2014	Concerts
13/01/2014	13/01/2014	1	Russell Kane: Smallness	Standup Comedy
17/12/2013	19/01/2014	58	Cinderella 2013	Pantomime
20/01/2014	25/01/2014	8	The Perfect Murder	Popular Comedy Drama
27/01/2014	01/02/2014	7	Anything Goes	Amateur
02/02/2014	02/02/2014	1	Rat Pack Live	Concerts
04/02/2014	08/02/2014	7	Barry Humphries Farewell Tour	Quality Drama
09/02/2014	09/02/2014	1	Punt & Dennis 2014	Standup Comedy
10/02/2014	10/02/2014	1	Classic Rock Show 2014	Concerts
13/02/2014	15/02/2014	6	Cirque Berserk	Family Children
16/02/2014	16/02/2014	1	Mike & The Mechanics	Personality Concerts
17/02/2014	19/02/2014	5	Russian State Ballet of Siberia	Dance
21/02/2014	22/02/2014	2	Richard Alston Dance Company 2014	Dance
23/02/2014	23/02/2014	1	Brendan Cole 2014	Dance
24/02/2014	24/02/2014	1	Rumours of Fleetwood Mac 2014	Personality Concerts
26/02/2014	01/03/2014	8	Barmy Britain	Family Children
02/03/2014	02/03/2014	1	That'll be the Day 2014	Concerts
03/03/2014	03/03/2014	1	Essence of Ireland 2014	Dance
04/03/2014	04/03/2014	1	Patricia Kopatchinskaja directs	Big Band Orchestral
05/03/2014	05/03/2014	1	Jamie Allan iMagician	Personality Concerts
07/03/2014	07/03/2014	1	Swan Lake 2014 Dress Rehearsal	Dance
07/03/2014	08/03/2014	3	Swan Lake 2014	Dance
09/03/2014	09/03/2014	2	Fascinating Aida 2014	Personality Concerts
10/03/2014	15/03/2014	8	Happy Days	Musicals
16/03/2014	16/03/2014	1	Russell Brand	Standup Comedy
19/03/2014	23/03/2014	8	Ice 2014	Dance
25/03/2014	29/03/2014	7	Propeller 2014	Quality Drama
27/03/2014	29/03/2014	3	Heritage	Studio
30/03/2014	30/03/2014	1	Norfolk Schools Project - The Magic Flute	NR Schools Project

Figure 80: Performances by type

Event Type	2011/2012	2012/2013	2013/2014
Amateur	15	9	15
Big Band/Orchestral	8	6	3
Concerts	6	12	7
Country/Irish	3	0	0
Dance	54	48	62
Family/Children	30	39	34
Musicals	117	123	107
Norfolk Schools Project	2	2	2
Opera	11	10	5
Pantomime	54	52	58
Personality Concerts	30	14	28
Popular/Comedy Drama	24	40	35
Quality Drama	48	47	52
Standup Comedy	18	8	12
Studio	24	18	13
Grand Total	**444**	**428**	**433**

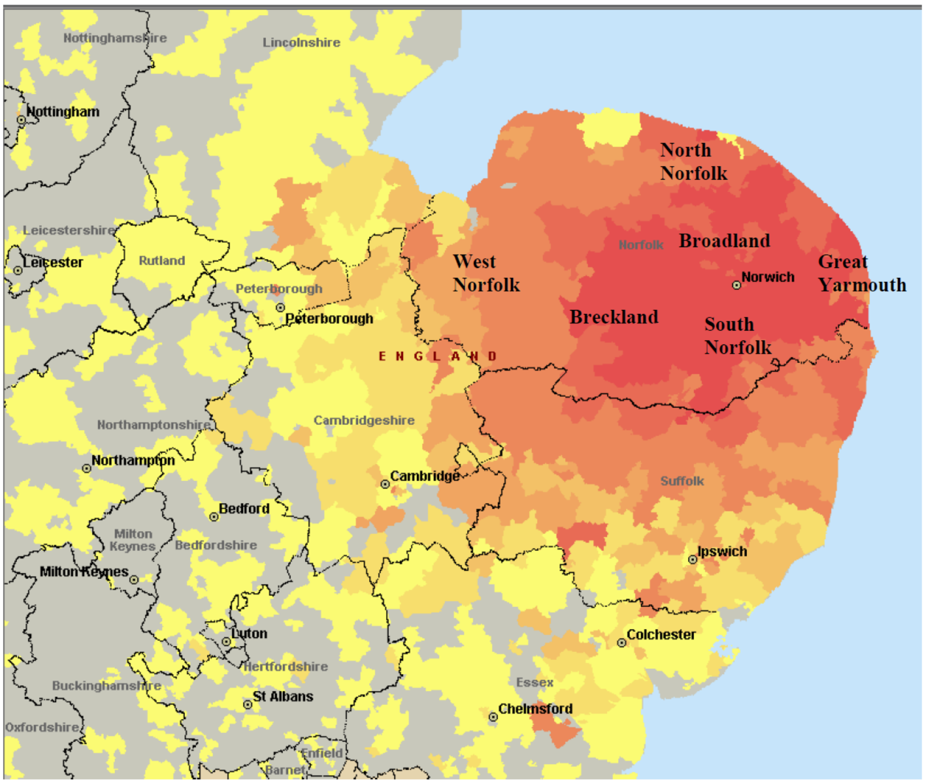
Figure 81: Productions by event type

Event Type	2011/2012	2012/2013	2013/2014
Amateur	4	2	6
Big Band/Orchestral	8	6	3
Concerts	6	12	7
Country/Irish	2	0	0
Dance	13	11	14
Family/Children	11	9	9
Musicals	11	9	12
Norfolk Schools Project	2	2	2
Opera	3	4	1
Pantomime	1	1	1
Personality Concerts	23	14	21
Popular/Comedy Drama	3	5	5
Quality Drama	6	6	7
Standup Comedy	12	7	10
Studio	7	6	4
Grand Total	**112**	**94**	**102**

Figure 82: Income Retained by Theatre Royal by Type of Event

Event Type	Target retention	Actual retention
Amateur	£53,759.20	£52,102.00
Big Band Orchestral	£10,085.00	£5,358.75
Concerts	£43,372.03	£42,826.41
Dance	£255,517.40	£293,148.43
Family Children	£84,249.11	£94,072.84
Musicals	£463,303.58	£484,095.32
Opera	£28,852.85	£27,804.35
Pantomime	£494,683.00	£472,236.00
Personality Concerts	£156,415.66	£160,379.35
Popular Comedy Drama	£88,289.97	£91,231.89
Quality Drama	£238,816.46	£241,235.94
Standup Comedy	£66,617.70	£69,381.35
Grand Total	**£1,983,961.96**	**£2,033,872.62**

Figure 83: Ticket sales by location of residence



Legend: Sum of Ticket Sales per Postcode District

- 2,000 – 12,000
- 1,000 – 1,999
- 500 – 999
- 250 – 499
- 100 – 249
- 50 - 99
- 0 – 49

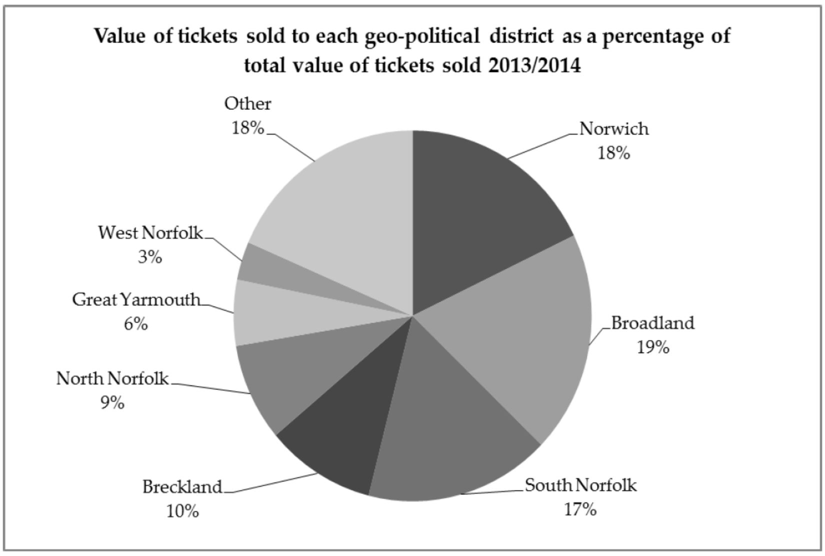


Figure 84: Comparison of variables in Brighton Hippodrome CIC Business Plan

	Other Theatres	Norwich Theatre Royal
Gross Profit from Ticket Sales		
Average Capacity:	1,135	1,300
Number Of Live Performances:	349	433
Annual Capacity:	415k	551k
Seats Sold:	252,989	415,403
% Capacity Filled	61%	75%
Gross Box Office:	£5,508k	£8,892k
Average Ticket Price paid	£21.77	£21.41
Payments to Companies (inc guarantees)	£4,468k	£6,483k
Retention by theatre:	**£1,040k**	**£2,409k**
Retention as % of Income:	19%	27%
Gross Profit from Secondary Spend		
Programmes:	£42k	£72k
Merchandise:	£21k	£11k
Catering:	£145k	£225k
Confectionery & Ices:	£102k	£173k
Total :	£325k	£482k
Total per admission:	£1.28	£1.28
Sponsorship Income	£27k	£65k
Friends Membership Income	£45k	£242k
Corporate Membership Income	£30k	£47k
Grants	£43k	-
Local Authority Support	£458k	£37k
Costs		
Salaries & Wages Costs	£1,851k	£1,896k
Full Time Equivalent Posts	81	100
Marketing Expenditure	£477k	£487k
Marketing Spend Per Seat Sold	£1.85	£1.17
Business Rates	£30,353	£31,292
Maintenance Costs	£156k	£104k
Capital Finance Charges	£337k	-
Capital Expenditure	£914k	£222k

3.2.3 OTHER EXAMPLES

NEW WIMBLEDON THEATRE

The New Wimbledon Theatre has 1,600 seats in three tiers. It originally opened in 1910 and the building is Grade II listed. It fell into financial difficulties after a multi-million pound refurbishment. It is now managed by Ambassador Theatre Group.

Figure 85 shows the programme for Autumn 2015. It consists largely of large-scale musicals, dance, ballet and comedy; it is designed to complement the more drama-focused Richmond Theatre, which is also run by the Ambassador Theatre Group.

It is frequently hired out for television productions.

It has a 70 seat Studio which is used by a number of theatre companies, including Half Moon Young People's Theatre, Leicester Haymarket and Yellow Earth. There is funding from the Arts Council England for this. There is no local authority funding.

HACKNEY EMPIRE

The Hackney Empire is run by the Hackney Empire Ltd. It is a 1,280 seat theatre designed by Frank Matcham. It had a £15 million refurbishment in 2001, £8.8 million of which came from the Arts Council Lottery funding. It became a producing house for innovative work, but that was financially unsustainable and it closed for a short period in 2010 for restructuring. It now describes itself as "a variety theatre for the 21st Century", and the programming reflects that. It receives an annual subsidy of about £370,000 from Arts Council England and is also funded by the London Borough of Hackney.

Figure 85: New Wimbledon Theatre Programme Mid Aug 2015-Dec 2015

Date		Production	Type
Tue	11-Aug	Ben and Holly's Little Kingdom	Child
Wed	12-Aug	Ben and Holly's Little Kingdom	Child
Thu	13-Aug	The Rat Pack Vegas	Other
Fri	14-Aug	The Dreamboys	Other
Sat	15-Aug	Ken Dodd	Comedy
Fri	28-Aug	The Glenn Miller Story	Musical
Sat	29-Aug	The Glenn Miller Story	Musical
Sun	30-Aug	The Glenn Miller Story	Musical
Mon	31-Aug	The Glenn Miller Story	Musical
Tue	01-Sep	The Glenn Miller Story	Musical
Wed	02-Sep	The Glenn Miller Story	Musical
Thu	03-Sep	The Glenn Miller Story	Musical
Fri	04-Sep	The Glenn Miller Story	Musical
Sat	05-Sep	The Glenn Miller Story	Musical
Tue	08-Sep	Blood Brothers	Musical
Wed	09-Sep	Blood Brothers	Musical
Thu	10-Sep	Blood Brothers	Musical
Fri	11-Sep	Blood Brothers	Musical
Sat	12-Sep	Blood Brothers	Musical
Sun	13-Sep	That'll Be the Day	Other
Fri	18-Sep	Dancing Queen - The Concert	Music
Mon	21-Sep	Jesus Christ Superstar	Musical
Tue	22-Sep	Jesus Christ Superstar	Musical
Wed	23-Sep	Jesus Christ Superstar	Musical
Thu	24-Sep	Jesus Christ Superstar	Musical
Fri	25-Sep	Jesus Christ Superstar	Musical
Sat	26-Sep	Jesus Christ Superstar	Musical
Sun	27-Sep	Sing-a-long-a Frozen	Child
Mon	05-Oct	Priscilla Queen of the Desert	Musical
Tue	06-Oct	Priscilla Queen of the Desert	Musical
Wed	07-Oct	Priscilla Queen of the Desert	Musical
Thu	08-Oct	Priscilla Queen of the Desert	Musical
Fri	09-Oct	Priscilla Queen of the Desert	Musical
Sat	10-Oct	Priscilla Queen of the Desert	Musical
Tue	13-Oct	Ministry of Science Live	Other
Wed	14-Oct	The Carpenters Story	Music
Thu	15-Oct	Psychic Sally on the Road	Other
Fri	16-Oct	An Evening of Burlesque	Other
Sat	17-Oct	The Magic of Motown	Music
Tue	20-Oct	Dirty Rotten Scoundrels	Drama
Wed	21-Oct	Dirty Rotten Scoundrels	Drama
Thu	22-Oct	Dirty Rotten Scoundrels	Drama
Fri	23-Oct	Dirty Rotten Scoundrels	Drama
Sat	24-Oct	Dirty Rotten Scoundrels	Drama
Mon	26-Oct	Circus of Horrors	Other
Thu	29-Oct	Giselle	Ballet
Fri	30-Oct	The Nutcracker	Ballet
Sat	31-Oct	The Nutcracker	Ballet
Mon	02-Nov	Hairspray the Musical	Musical
Tue	03-Nov	Hairspray the Musical	Musical
Wed	04-Nov	Hairspray the Musical	Musical
Thu	05-Nov	Hairspray the Musical	Musical
Fri	06-Nov	Hairspray the Musical	Musical
Sat	07-Nov	Hairspray the Musical	Musical
Sun	08-Nov	The Illegal Eagles	Music
Tue	10-Nov	Annie	Musical
Wed	11-Nov	Annie	Musical
Thu	12-Nov	Annie	Musical
Fri	13-Nov	Annie	Musical
Sat	14-Nov	Annie	Musical
Mon	16-Nov	Rumours of Fleetwood Mac	Music
Tue	17-Nov	London Russian Ballet School	Ballet
Wed	18-Nov	Bellowhead The Farewell Tour	Music
Thu	19-Nov	An Evening with Noel Fielding	Comedy
Fri	20-Nov	Cape Town Funny Festival	Comedy
Sat	21-Nov	Cape Town Funny Festival	Comedy
Tue	24-Nov	An Inspector Calls	Drama
Wed	25-Nov	An Inspector Calls	Drama
Thu	26-Nov	An Inspector Calls	Drama
Fri	27-Nov	An Inspector Calls	Drama
Sat	28-Nov	An Inspector Calls	Drama
Sat	05-Dec	Peter Pan	Pantomime
Sun	06-Dec	Peter Pan	Pantomime
Mon	07-Dec	Peter Pan	Pantomime
Tue	08-Dec	Peter Pan	Pantomime
Wed	09-Dec	Peter Pan	Pantomime
Thu	10-Dec	Peter Pan	Pantomime
Fri	11-Dec	Peter Pan	Pantomime
Sat	12-Dec	Peter Pan	Pantomime
Sun	13-Dec	Peter Pan	Pantomime
Mon	14-Dec	Peter Pan	Pantomime
Tue	15-Dec	Peter Pan	Pantomime
Wed	16-Dec	Peter Pan	Pantomime
Thu	17-Dec	Peter Pan	Pantomime
Fri	18-Dec	Peter Pan	Pantomime
Sat	19-Dec	Peter Pan	Pantomime
Sun	20-Dec	Peter Pan	Pantomime
Mon	21-Dec	Peter Pan	Pantomime
Tue	22-Dec	Peter Pan	Pantomime
Wed	23-Dec	Peter Pan	Pantomime
Thu	24-Dec	Peter Pan	Pantomime
Fri	25-Dec	Peter Pan	Pantomime
Sat	26-Dec	Peter Pan	Pantomime
Sun	27-Dec	Peter Pan	Pantomime
Mon	28-Dec	Peter Pan	Pantomime
Tue	29-Dec	Peter Pan	Pantomime
Wed	30-Dec	Peter Pan	Pantomime
Thu	31-Dec	Peter Pan	Pantomime

WOLVERHAMPTON GRAND

The Wolverhampton Grand is a long established theatre with 1,200 seats that operates as a presenting theatre. Figure 86 shows a summary of its profit and loss in 2012-3. It, essentially, runs at breakeven[37] after subsidy of £450,000 from the local authority.

Figure 86: P&L[38] for The Grand, Wolverhampton, 2013-4

INCOME	
Ticket Income	
Box Office Sales:	£4,478,000
Show Costs:	-£3,979,000
Gross Profit:	*£499,000*
Food, Beverage & Venue Hire	
Other Income:	£618,000
Bar & Kiosk Supplies	-£141,000
Gross Profit:	*£477,000*
Gross Profit from Trading Activity:	£976,000
Grant from Wolverhampton City Council	£453,000
Donations	£8,000
Sponsorship	£22,000
Total Net Income:	*£1,459,000*
OPERATING COSTS	
Audit	-£8,500
Marketing:	-£121,000
Office equipment leases	-£20,000
Office expenses:	-£12,000
Other costs:	-£42,000
Postage, stationery and telephone:	£57,000
Premises costs:	-£180,000
Professional charges:	-£18,000
VAT not recoverable:	-£73,000
Wages and salaries:	-£1,098,000
Total	-£1,515,500
Profit/Loss (EBITDA):	-£56,500
Depreciation:	-£467,000
Amortisation of capital grant:	£439,000
Profit/Loss:	-£84,500

[37] There was a surplus in 2012-3 about the same size as the deficit in 2013-4.

[38] This has been formatted differently from the published accounts to make it more useful. The bottom line is the same.

AYLESBURY WATERSIDE THEATRE

The Waterside is a new building but, in other respects, is close in form to the type of venue that the Hippodrome could be, especially if it was fully flexible. There is an article about it with pictures and plans in the Autumn 2010 issue of Theatres Magazine.

Figure 87: Description of the Waterside Theatre on the Theatre's Trust database

Aylesbury's Civic Hall (q.v.) was built in 1975 as a multi-purpose civic facility. After many years of valiant service, in 2003 the Council agreed that a new, purpose-built theatre was needed for the town, and that the theatre would form the centre piece of a redevelopment scheme for the town centre. Norman Bragg of RHWL's Arts Team led the team of architects to design an iconic building set beside the canal basin. Building work commenced in 2007 and the Waterside Theatre officially opened on 12 October 2010. Designed as a replacement for many roles of the Civic Hall, the Waterside has a 1,200-seat auditorium which can double as a music venue for 1,800 standing; a second performance space seats 200; and large front-of-house facilities including several bars and café which could be used throughout the day and evening. The Civic Hall had been well used by local community groups, and it was important that this legacy survived in the new theatre. Externally, the design of the building aims to complement its surroundings, with its undulating concrete base echoing the surrounding Chiltern Hills, and the glass façade supported by 106 Larch 'glulam' beams, a reminder of the ancient woodlands nearby. The central block, between the two performance spaces, houses a well-equipped fly tower along with the backstage facilities, dressing rooms, offices, etc. Inside, the foyers are spacious and light, providing plenty of front of house space that can be used when attending performances and whenever the building is open. Feature use of wood as columns and decorative panels continues throughout, and into the main auditorium. The Theatre is slightly reminiscent of a Georgian galleried room, with the sunken stalls surrounded on three sides by seating on three levels. The flat balcony fronts are patterned with a relief of random woodblock which flows from the rear walls of the auditorium. The stage has a broad and tall proscenium opening, and above the fly tower is equipped with a high specification lighting and sound rig. The Second Space is a smaller, 220-seat room with retractable bleacher seating. The woodblock pattern is repeated on the walls, this time as a smooth veneer. The Waterside fulfils its many roles, as a large theatre suitable for receiving major touring productions, rock concerts, a smaller venue for more intimate shows, and a venue for community groups, conferences, live screenings and more.

Ambassador Theatre Group signed a 15-year management contract in January 2010 and the theatre opened in October that year. Aylesbury Vale District Council (AVDC) paid £192,000 in management fees to ATG from November 2010 to May 2011 and £350,000 in the first 12 months of operation. They also committed to paying £1.75 million towards running costs over a five-year period.

The theatre was expected to cost £25 million when planning permission was granted in 2006. The cost had escalated to £35 million when the contractor, Willmott Dixon, was appointed in 2008. The final cost was £42 million. It occupies 7,800 m²[39], which is equivalent to £5.50 per square metre.

[39] Gross Internal Area

The seats in the stalls are retractable and the floor can be raised and lowered. That makes the building suitable for all the main art forms. Figure 88 shows its programme for mid Sep 2014 to end January 2015. It is made up largely of a mixture of plays, which typically run for 6 nights, live popular music, of which tribute bands form a large proportion, comedy, with some popular opera and ballet. The pantomime is invariably a major source of revenue and normally has, as at Aylesbury, 40 or more performances.

Figure 88: Makeup of performances at Aylesbury Waterside mid Sep 14 – Jan 15

Performance Type	Number
Pantomime	40
Music	22
Drama	20
Comedy	12
Ballet	3
Other	3
Opera	2

Figure 89: Aylesbury Waterfront Programme Mid Aug 2015-Dec 2015

Date		Production	Type
Thu	13-Aug	Basil Brush	Child
Wed	26-Aug	RSC Live Screening - Othello	Drama
Mon	31-Aug	King Crimson	Music
Tue	01-Sep	King Crimson	Music
Thu	03-Sep	The Beaux Stratagem - Live Screening	Comedy
Fri	04-Sep	Comedy Club	Comedy
Sat	05-Sep	Battle of the Bands	Music
Mon	07-Sep	Jeeves & Wooster	Comedy
Tue	08-Sep	Jeeves & Wooster	Comedy
Wed	09-Sep	Jeeves & Wooster	Comedy
Sat	12-Sep	Waterside Family Theatre Club	Child
Tue	15-Sep	Aida on Sydney Harbour Screening	Opera
Thu	17-Sep	The Last Tango	Dance
Thu	18-Sep	The Last Tango	Dance
Thu	19-Sep	The Last Tango	Dance
Thu	20-Sep	The Last Tango	Dance
Tue	22-Sep	ROH Romeo & Juliet - Live Screening	Drama
Tue	22-Sep	Jersey Boys	Musical
Wed	23-Sep	Jersey Boys	Musical
Thu	24-Sep	Jersey Boys	Musical
Thu	24-Sep	Coriolanus - Live Screening	Drama
Fri	25-Sep	Jersey Boys	Musical
Sat	26-Sep	Jersey Boys	Musical
Mon	28-Sep	Jersey Boys	Musical
Tue	29-Sep	Jersey Boys	Musical
Wed	30-Sep	Jersey Boys	Musical
Thu	01-Oct	Jersey Boys	Musical
Fri	02-Oct	Jersey Boys	Musical
Fri	02-Oct	Comedy Club	Comedy
Sat	03-Oct	Jersey Boys	Musical
Mon	05-Oct	Bullet For My Valentine	Music
Tue	06-Oct	Hello Kitty	Child
Thu	08-Oct	The Dreamboys	Other
Fri	09-Oct	Michael Palin The Thirty Years Tour	Other
Tue	13-Oct	Jim Davidson	Comedy
Wed	14-Oct	Bay City Rollers starring Les McKeown	Music
Thu	15-Oct	NT Live Screening - Hamlet	Drama
Thu	15-Oct	The Carpenters Story	Drama
Fri	16-Oct	The Sensational 60s Experience	Music
Sat	17-Oct	Ellen Kent's Tosca	Opera
Sun	18-Oct	UB40	Music
Mon	19-Oct	Thriller Live	Musical
Tue	20-Oct	Thriller Live	Musical
Wed	21-Oct	Thriller Live	Musical
Wed	21-Oct	RSC Live Screening - Henry V	Drama
Thu	22-Oct	Thriller Live	Musical
Fri	23-Oct	Thriller Live	Musical
Sat	24-Oct	Thriller Live	Musical
Sat	24-Oct	The Dung Beatles at The Waterside	Music
Mon	26-Oct	Priscilla Queen of the Desert - Tour	Musical
Tue	27-Oct	Priscilla Queen of the Desert - Tour	Musical
Wed	28-Oct	Priscilla Queen of the Desert - Tour	Musical
Thu	29-Oct	Priscilla Queen of the Desert - Tour	Musical
Fri	30-Oct	Priscilla Queen of the Desert - Tour	Musical
Sat	31-Oct	Priscilla Queen of the Desert - Tour	Musical
Sat	31-Oct	NT Encore Screening - Hamle	Drama
Mon	09-Nov	Ruby Wax - Sane New World	Comedy
Mon	09-Nov	Flower Arranging with Neil Guerney	Other
Tue	10-Nov	Nils Lofgren	Music
Wed	11-Nov	Show of Hands 2015	Music
Thu	12-Nov	Carmen/Viscera/Afternoon of Fun/Pas de Deux	Drama
Thu	12-Nov	An Evening with Noel Fielding	Comedy
Fri	13-Nov	One Man Breaking Bad	Comedy
Sat	14-Nov	That'll be the Day	Other
Sat	14-Nov	Comedy Club	Comedy
Sun	15-Nov	Sing-a-Long-a Frozen	Child
Mon	16-Nov	Motown's Greatest Hits: How Sweet It Is	Music
Tue	17-Nov	Circus of Horrors	Other
Wed	18-Nov	Royal Philarmonic Orchestra 2015	Music
Thu	19-Nov	Abba Mania	Music
Fri	20-Nov	Westcoast - Music of The Beach Boys	Music
Sat	21-Nov	Mercury: The Ultimate Queen Tribute	Music
Sun	22-Nov	Bellowhead The Farewell Tour	Music
Mon	23-Nov	The Full Monty	Drama
Tue	24-Nov	The Full Monty	Drama
Wed	25-Nov	The Full Monty	Drama
Thu	26-Nov	The Full Monty	Drama
Fri	27-Nov	The Full Monty	Drama
Sat	28-Nov	The Full Monty	Drama
Sun	29-Nov	Grimethorpe Colliery Band 2015	Music
Mon	30-Nov	St Petersburg Classic Ballet -Giselle	Dance
Tue	01-Dec	St Petersburg Classic Ballet -Giselle	Dance
Wed	02-Dec	St Petersburg Classic Ballet -Giselle	Dance
Fri	11-Dec	Dick Whittington	Pantomime
Sat	12-Dec	Dick Whittington	Pantomime
Sun	13-Dec	Dick Whittington	Pantomime
Mon	14-Dec	Dick Whittington	Pantomime
Tue	15-Dec	Dick Whittington	Pantomime
Wed	16-Dec	Dick Whittington	Pantomime
Wed	16-Dec	ROH Live Screening - The Nutcracker	Ballet
Thu	17-Dec	Dick Whittington	Pantomime
Fri	18-Dec	Dick Whittington	Pantomime
Sat	19-Dec	Dick Whittington	Pantomime
Sun	20-Dec	Dick Whittington	Pantomime
Mon	21-Dec	Dick Whittington	Pantomime
Tue	22-Dec	Dick Whittington	Pantomime
Wed	23-Dec	Dick Whittington	Pantomime
Thu	24-Dec	Dick Whittington	Pantomime
Fri	25-Dec	Dick Whittington	Pantomime
Sat	26-Dec	Dick Whittington	Pantomime
Sun	27-Dec	Dick Whittington	Pantomime
Mon	28-Dec	Dick Whittington	Pantomime
Tue	29-Dec	Dick Whittington	Pantomime
Wed	30-Dec	Dick Whittington	Pantomime
Thu	31-Dec	Dick Whittington	Pantomime

3.1 VENUES AND COMPANIES IN BRIGHTON THAT RECEIVE FUNDING FROM ARTS COUNCIL ENGLAND

Organisations that Arts Council England has committed to provide three year funding to over 2015-18 are:

1. Blast Theory, combined arts – Total funding: £402,471
2. Re:Bourne Ltd, dance – Total funding: £3,882,000
3. Brighton & Hove Council (Royal Pavilion & Museums) – Total funding: £2,095,521
4. Brighton Dome and Festival – Total funding: £3,449,763
5. Dreamthinkspeak, theatre – Total funding: £452,781
6. Hofesh Shechter Company, dance – Total funding: £1,149,921
7. Fabrica, visual arts – Total funding: £532,725
8. Home Live Art, combined arts – Total funding: £226,305
9. New Writing South, literature – Total funding: £279,573
10. Carousel, combined arts – Total funding: 592,464
11. Photoworks, visual arts – Total funding: £804,945
12. South East Dance – Total funding: £1,710,507
13. Lighthouse Arts And Training Ltd, visual arts – Total funding: £344,976
14. Vincent Dance Theatre, dance – Total funding: £785,286.

3.2 FINANCIAL

Producing theatres, as mentioned above, invariably require substantial subsidy. Figure 90 shows the subsidies that will be paid by Arts Council England to producing theatres and companies in 2015-6.

Figure 90: Funding to be provided to producing theatres by ACE 2015

Name of Organisation	Alternative Name	Portfolio grant	Local Authority	Web address
Royal National Theatre	National Theatre	17,217,000	Lambeth	www.nationaltheatre.org.uk
Royal Shakespeare Company	RSC	15,447,000	Stratford-on-Avon	www.rsc.org.uk
Royal Exchange Theatre	n/a	2,332,000	Manchester	www.royalexchange.co.uk
English Stage Company Ltd	Royal Court Theatre	2,311,234	Kensington and Chelsea	www.royalcourttheatre.com
Leicester Theatre Trust Limited	Curve	1,914,029	Leicester	www.curveonline.co.uk
Birmingham Repertory Theatre Limited	The REP	1,833,953	Birmingham	www.birmingham-rep.co.uk
Young Vic Company	n/a	1,760,143	Lambeth	www.youngvic.org
Chichester Festival Theatre	CFT	1,740,214	Chichester	http://www.cft.org.uk
Liverpool Everyman & Playhouse		1,649,977	Liverpool	www.everymanplayhouse.com
Northern Stage Company	n/a	1,562,496	Newcastle upon Tyne	www.northernstage.co.uk
Leeds Theatre Trust Limited	West Yorkshire Playhouse	1,508,104	Leeds	www.wyp.org.uk
Nottingham Playhouse Trust Limited	n/a	1,354,807	Nottingham	www.nottinghamplayhouse.co.uk
Unicorn Theatre for Children		1,303,884	Southwark	www.unicorntheatre.com
Sheffield Theatres	n/a	1,279,865	Sheffield	www.sheffieldtheatres.co.uk
Bristol Old Vic And Theatre Royal Trust Limited	n/a	1,228,381	Bristol, City of	www.bristololdvic.org.uk
Theatre Royal Plymouth	n/a	1,185,500	Plymouth	www.theatreroyal.com
Pioneer Theatres Ltd	Theatre Royal Stratford East	1,105,506	Newham	www.stratfordeast.com
Lyric Theatre Hammersmith	n/a	1,100,000	Hammersmith and Fulham	www.lyric.co.uk
Belgrade Theatre Trust (Coventry) Limited	n/a	942,215	Coventry	www.belgrade.co.uk
Stoke-On-Trent and N Staffs Theatre Trust	New Vic Theatre	932,401	Newcastle-under-Lyme	www.newvictheatre.org.uk
Hampstead Theatre	n/a	874,607	Camden	www.hampsteadtheatre.com
Salisbury Arts Theatre Ltd	n/a	844,289	Wiltshire	www.salisburyplayhouse.com
Hull Truck Theatre	n/a	790,680	Kingston upon Hull, City of	www.hulltruck.co.uk
Palace Theatre Watford Ltd	Watford Palace Theatre	790,571	Watford	www.watfordpalacetheatre.co.uk
Colchester Mercury Theatre Limited	n/a	777,378	Colchester	www.mercurytheatre.co.uk
Northampton Theatres Trust Ltd	Royal & Derngate	766,417	Northampton	www.royalandderngate.co.uk
Tricycle Theatre Company	n/a	729,519	Brent	www.tricycle.co.uk
Battersea Arts Centre	BAC	693,897	Wandsworth	www.bac.org.uk
English Touring Theatre	n/a	679,794	Southwark	www.ett.org.uk
Almeida Theatre Company Ltd	n/a	675,499	Islington	www.almeida.co.uk
Stephen Joseph Theatre	Scarborough Theatre Trust	637,715	Scarborough	www.sjt.uk.com
Octagon Theatre Trust Limited	Bolton Octagon Theatre	614,060	Bolton	www.octagonbolton.co.uk
Cumbria Theatre Trust	Theatre by the Lake	604,067	Allerdale	www.theatrebythelake.com
Oldham Coliseum Theatre	n/a	604,067	Oldham	www.coliseum.org.uk
Soho Theatre Company	n/a	603,478	Westminster	www.sohotheatre.com
York Theatre Royal	York Citizen's Theatre Trust	587,254	York	www.yorktheatreroyal.co.uk
Polka Theatre	n/a	570,219	Merton	www.polkatheatre.com
Nuffield Theatre	n/a	552,932	Southampton	http://www.nuffieldtheatre.co.uk
Donmar Warehouse Projects Ltd	n/a	504,619	Camden	www.donmarwarehouse.com
University of Derby Theatre Ltd	n/a	500,000	Derby	www.derbytheatre.co.uk
Alternative Theatre Company	The Bush Theatre	495,281	Hammersmith and Fulham	www.bushtheatre.co.uk
Watermill Theatre	n/a	450,386	West Berkshire	http://www.watermill.org.uk
Oxford Playhouse	n/a	379,474	Oxford	http://www.oxfordplayhouse.com
Talawa Theatre Company	n/a	372,144	Hackney	www.talawa.com
Hackney Empire Ltd	n/a	368,514	Hackney	www.hackneyempire.co.uk
The Circus Space	National Centre for Circus Arts	341,867	Hackney	www.nationalcircus.org.uk
Tamasha Theatre Company Ltd	n/a	314,465	Tower Hamlets	www.tamasha.org.uk
Gate Theatre	n/a	306,330	Kensington and Chelsea	www.gatetheatre.co.uk
National Youth Theatre of Great Britain	NYT	305,769	Westminster	www.nyt.org.uk
New Perspectives Theatre Company	n/a	302,745	Nottingham	www.newperspectives.co.uk
Arcola Theatre Production Company	n/a	301,738	Hackney	www.arcolatheatre.com
Havering Theatre Trust	Queen's Theatre, Hornchurch	277,032	Havering	www.queens-theatre.co.uk
The Dukes Playhouse Limited	n/a	256,190	Lancaster	www.dukes-lancaster.org
Theatre Hullabaloo	Cleveland Independent Theatre Company Ltd	250,318	Darlington	www.theatrehullabaloo.org.uk
Theatre Centre	n/a	240,000	Hackney	www.theatre-centre.co.uk
Stagetext	n/a	218,773	Tower Hamlets	www.stagetext.org
Stan's Cafe Theatre	n/a	156,865	Birmingham	www.stanscafe.co.uk
Spare Tyre Theatre Company	n/a	150,870	Lambeth	www.sparetyre.org
Youth Music Theatre UK	YMT	150,000	Hammersmith and Fulham	www.youthmusictheatreuk.org
Lawrence Batley Theatre	Kirklees Theatre Trust	148,531	Kirklees	www.thelbt.org
Theatre Peckham	n/a	142,924	Southwark	www.theatrepeckham.co.uk
Harrogate Theatre		140,909	Harrogate	www.harrogatetheatre.co.uk
Theatre Royal Winchester	Hat Fair	134,158	Winchester	http://www.hatfair.co.uk
Exeter Northcott Theatre Company Ltd	n/a	125,000	Exeter	www.exeternorthcott.co.uk
Horse And Bamboo Theatre Company	Little World Limited	123,632	Rossendale	www.horseandbamboo.org
Theatre Company Blah Blah Blah	n/a	107,326	Leeds	www.blahs.co.uk
New Theatre Royal Trustees (Portsmouth) Ltd	n/a	92,952	Portsmouth	http://www.newtheatreroyal.com
North Devon Theatres Trust	n/a	77,446	North Devon	

4 OTHER USES

4.1 CONFERENCES & EXHIBITIONS

4.1.1 CONFERENCE MARKET

The market can, in summary, be divided into three segments: Corporate, Associations and Public Sector, and Exhibitions. It is commonly called MICE – Meetings, Incentives, Conferences and Exhibitions.

There are around 1.3m recorded events each year in the UK across the three segments, although there are also many that are not recorded and, therefore, the true size of the market is somewhat larger than this.

Corporate events, which include meetings, sales events and training days, account for around 45% of the events although most are small, involving less than 100 delegates.

Just over half of all events are Association or Public Sector. These are arranged by professional and trade associations, trades unions and public bodies.

They generally last longer than corporate events (on average three days for international events) and involve much large numbers of delegates (an average of 550 for international events).

The competition to attract such events is keen since they generate the highest level of income to a destination and often commit over a year in advance.

Exhibitions include trade, consumer and both trade and consumer events.

Organisers of different types of event assess both the venue and the destination in different ways. Figure 91 summarises the factors that are most important to different segments of the market.

Figure 91: Key considerations in choice of venue

Market	Critical Criteria in Choice of Venue
International Association	• Size of venue and particularly main auditorium with tiered seating. • Range of accompanying spaces and facilities including exhibition space. • International access via air and rail. • 1,500+ hotel bed spaces nearby at 3* and above. • Prestige of the destination – it is easier to persuade potential delegates to travel overseas if the venue is appealing. Capital cities are most popular for this reason although major regional cities are increasingly competing as second choice destinations.

Market	Critical Criteria in Choice of Venue
	• Cost is always an issue although is slightly less sensitive for this segment.
National & Regional Associations	• Size of main auditorium. Some require tiered seating, midscale events may not but will require adequate sightlines. • Many require accompanying exhibition space. • Cost – subvention is often required in the form of free room hire, income guarantees, up-front cash, free bedrooms for organisers, marketing support etc. • 500+ hotel bed spaces nearby at 3* and above. • Access via rail. • Appeal of the destination is less important. National and regional Associations will often have a policy of rotating around the country to give all their members a chance to be the local host.
Corporates	• Connection with the destination – corporates will often book venues close to their HQ or main offices. • Corporate clients have requirements for venues of most sizes from the smallest meeting rooms upwards. There are very few corporate events however which require large tiered seating venues. Most larger corporate events require flexible spaces that can house a mix of presentations, dinners and meetings. Corporate clients are particularly demanding about service and the ability of the venue to cater for their particular needs. • Cost is important but corporates rarely seek subvention. Competitive day delegate rates are important and events arranged by Professional Conference Organisers (PCOs) will require a commission to be paid. • Adequate bed spaces at 3* and 4* hotels. Since the scale of corporate events varies, the number of rooms required varies significantly. For event organisers however it is usually important that these can be provided in no more than two or three big hotels to make logistics easier.

The largest venues offer over 10,000m² of lettable floor space. There are 13 dedicated conference centres of this size in the UK, 8 of which are located outside London. The majority only cater for conferences and exhibitions although some, such as the NEC and ACC in Liverpool also have arenas on the same site which host music events and other public performances. The venues can be used to host one large event or, more commonly, a number of smaller events simultaneously.

All large dedicated conference venues require funding from the public sector, usually provided by the Local Authority. This is either paid as an operating subsidy to the venue, or as a subvention fund that can be used to win major events. The fund is used, in some cases, to provide the organiser with a guarantee or an up-front cash 'float'. It is used, in others, to subsidise room hire fees or event costs.

Mid-scale venues offer between 2,000m² and 10,000m² of lettable space. They can, again, be configured in different ways according to the building and the site.

Some, particularly those at the smaller end, do not have a tiered seating auditorium, instead offering flexible flat floor spaces that can take temporary seating depending on the event requirements. Nearly all offer breakout rooms, catering facilities and reception area.

There are nine purpose-built venues in the UK in this size range, of which eight are outside London. There are a number of ‘other’ venues which offer conference facilities of this size, often located within racecourses, large hotels, visitor attractions or public buildings.

Mid-scale venues usually cater for a fairly eclectic mix of events which include conferences, exhibitions, music events, Christmas parties and large functions.

Occupancy levels for the biggest rooms of mid-scale venues, however, are generally slightly higher than those in the largest conference centres because most can be more flexible on price and can appeal to a broader range of events. It is, for many, essential to their viability that they can accommodate a wide breadth of events. There are however examples of venues of this scale which break even or deliver an operating profit. Generally these more commercial venues host a small number of conferences and very few national association events which require subvention funding. Instead, their programmes focus on profitable events such as tribute bands, musicals, and popular theatre, as well as corporate events and dinners.

Small scale venues, with less than 2,000m² of lettable space, are rarely dedicated convention centres. Most are attached to hotels, attractions or public buildings. Most operate on a commercial basis, often as an additional income stream to the core business. Business usually comes from the corporate sector for meetings and training events, although most small venues will also target public events such as weddings and club or society bookings.

4.1.2 FACILITIES IN BRIGHTON

The Brighton Centre is the main conference venue in the city. The large hotels, especially the Metropole and the Grand, also have large scale facilities for conferences and functions. Figure 92 shows non-hotel venues. The Dome / Corn Exchange will be more attractive as a conference venue when the restoration programme is complete.

Figure 92: Other conference venues

Venue	Max. Theatre	Max. Banquet	Max. Reception	No. of Meeting rooms
The American Express Community Stadium	380	450	650	23
Brighton Centre	4,500	1,000	2,500	18
Brighton Pier	N/A	N/A	350	N/A
Brighton Racecourse	650	450	1,000	19
Hove Centre	870	650	600	5
Sea Life Centre	300	N/A	400	1
Sussex County Cricket Club	19,000	900	1,800	17
University of Sussex	500	250	550	15

Source: VIsitBrighton Conference Brochure

4.2 RESTAURANT

Figure 93: Brighton Restaurants in the Good Food Guide

Restaurant	*Price (£)**	*Post Code*
The Restaurant at Drakes	44	BN2 1PE
The Gingerman	35	BN1 2PD
Twenty Four St Georges	32	BN2 1ED
64 Degrees	30	BN1 1HB
The Jolly Poacher	29	BN1 4SG
Terre à Terre	28	BN1 1HQ
The Chilli Pickle	24	BN1 1GE
Food For Friends	23	BN2 1PE

**Avg. price of 3 course meal excl. wine*

4.3 CINEMA

Cinema-going in the UK was at its peak in the 1940s when even small towns had cinemas of large capacity. The advent of television and, later, VCR, caused a sharp decline in attendance in the post war years. That led to the closure of cinemas, often converted to bingo, which exacerbated the decline. 1984 was the nadir. The decline was stemmed by the advent of multiplexes, the first purpose-built multiplex opening in 1985. Admissions started to grow again thereafter.

The number of cinemas increased from 668 in 2002 to 756 in 2013 (+13%). Multiplex[40] cinema sites account for 39% of all cinemas and have shown consistent growth in the last 10 years from 229 sites in 2002 to 295 sites in 2013.

The total number of traditional/independent cinemas has also increased. This is the result of the advent of digital technology which has made them more viable.

[40] Multiplexes are defined as purpose-built cinema complexes with five+ screens. Multiplex cinemas account for about 75% of all screens.

"Screen density" is the number of screens per unit of population. It is used as a measure of cinema provision. There are 6.1 screens for every 100,000 people in the UK. This is considerably lower than countries such as the USA (12.4), France (9.1), Australia (8.6), Spain (7.8) and Italy (6.5). It does not mean that there is only demand for 6 screens per 100,000 people. The average is brought down by the fact that there is still little or no provision in many rural areas and towns, and most cinemas in rural areas are only 1 or 2 screens. Many areas sustain many more than 6 screens per 100,000.

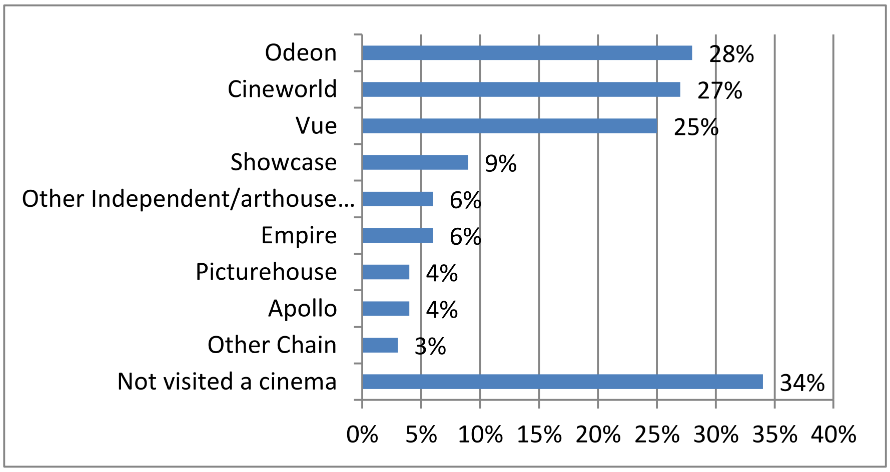
The UK cinema market is dominated by three national chains – Odeon, Cineworld and Vue. They account for over a third of all cinema sites and about two thirds of all screens. They each account for between 20-25% of all gross box office takings.

Figure 94: UK cinema operators by total sites and screens 2013

Exhibitor	*Sites*	*Screens*	*Av. Screens per Site*	*% of total screens*
Odeon	115	881	7.7	22.8
Cineworld	81	807	10.0	20.9
Vue	82	776	9.5	20.1
National Amusements	20	264	13.2	6.8
Empire Cinemas	16	155	9.7	4.0
Omniplex (Anderson)	11	89	8.1	2.3
Reel Cinemas	15	62	4.1	1.6
Cineworld/Picturehouse	22	61	2.8	1.6
Movie House Cinemas	5	39	7.8	1.0
Merlin Cinemas	11	35	3.2	0.9
Others*	378	698	1.8	18.1
Total	756	3,867	5.1	100.0

Source: Dodona Research

Figure 95: Cinemas visited over 12 months



Source: Lightspeed GMI/Mintel 2014

The advent of digital film projectors has transformed the viability of small cinema operations. This is because it is no longer necessary to physically transport film reels around. They can either be posted on a cassette or downloaded via the internet. There is no longer a need for projectionists.

Digital allows much more flexibility in programming. Whereas, in the past, a screen would show the same film for a week at a time, it will now show a variety of different films depending on the time of day and time of week.

A huge range of films can be hired for commercial display from Filmbank Distributors (www.filmbank.co.uk) for 35% of the take or £83, whichever is lower, plus a delivery charge of £14. They include films which are made available 10 weeks after their cinema release and before DVD release, and thousands of classic films. An audience of about 25 covers the cost of running each show.

4.3.1 BOUTIQUE CINEMAS

The independent cinema sector is dominated by the boutique brands Curzon, Picturehouse, Everyman and Odeon Lounge.

Boutique cinemas offer a more “mature” experience than mainstream multiplex cinemas. They have a bar and often a restaurant. They provide a larger range of films, although it is not correct to call them “art house” as they normally show mainstream films in addition to those that have a more limited distribution.

The boutique cinema brands average 2.74 screens per site and 372 total seats, averaging 136 seats per screen. Picturehouse and Curzon tend to have more screens, seats and larger auditoria than Everyman. Odeon Lounge have about five small studio screens in the 30-50 seat range.

The most common screen size for the boutique cinema brands is 100-150 seats. 35% of the boutique brand screens are this size. Picturehouse and Everyman have over 40% of their screens in this size range.

Picturehouse, which is the trading name for City Screens, is the largest boutique chain currently. It was acquired in 2013 by Cineworld, one of the three major cinema companies, with a view to expanding fast, which they are doing, especially in London. Their flagship will be Picturehouse Central, in the Trocadero, Piccadilly. It is due to open in summer 2015. It will have 7 screens and nearly 1,000 total seats. It is aspiring to provide a top quality experience in terms of viewing quality and comfort. It operates the Duke of York Cinema in Brighton and the two screen cinema at Komedia.

Figure 96: London independent cinemas categorised by auditoria size

Screens categorised by number of seats	< 50	50 - 100	100-150	150-200	200-250	250-300	300+	TOTAL
All Independents/Boutiques	14	17	21	8	4	6	7	**77**
Boutique Brands	10	10	18	4	3	4	3	**52**
Curzon	3	3	4	0	1	2	2	**15**
Everyman	2	3	4	0	0	0	0	**9**
Picturehouse	0	4	10	4	2	2	1	**23**
Odeon - Lounge	5	0	0	0	0	0	0	**5**
Other Independents	4	7	3	4	1	2	4	**25**
% of Total								
All Independents/Boutiques	18%	22%	27%	10%	5%	8%	9%	100%
Boutique Brands	19%	19%	35%	8%	6%	8%	6%	100%
Curzon	20%	20%	27%	0%	7%	13%	13%	100%
Everyman	22%	33%	44%	0%	0%	0%	0%	100%
Picturehouse	0%	17%	43%	17%	9%	9%	4%	100%
Odeon - Lounge	100%	0%	0%	0%	0%	0%	0%	100%
Other Independents	16%	28%	12%	16%	4%	8%	16%	100%

Independent cinemas typically occupy existing buildings. Their approach is to identify properties that can accommodate cinema and then make the best use of the available space to create an optimum overall cinema offer, within a reasonable budget. The buildings are often not former cinema venues, which are typically difficult because of their size. They rarely occupy new build properties where it is easier to specify the optimum number of screens and sizes, as the large multiplex operators do.

Capture, a survey of users of 22 independent cinemas in London in May 2014[41], gives useful insight into the nature of users of boutique cinemas. It showed that 83% of those surveys attend more than once a year; they visit the cinema an average of 6.7 times per year; 38% of those surveyed were members; 25-35 is the core demographic, but there is strong representation in all older age groups; the profile is hugely dominated (47%) by the consumer profile type 'Liberal Opinions'[42]; the average user lives 2.4 miles from the cinema (straight line median).

Figure 97: Definition of Mosaic group "Liberal Opinions"

Predominantly young, professional people with a university education. Very high propensity to attend the arts. Frequent and broad ranging in their arts-going. The core audience for all kinds of contemporary work in particular.

Source: Experian

[41] Capture – Know Your Audience, May 2014. The Audience Agency for Film London and partners.

[42] This is a category in the MOSAIC socio economic profile system, which is an alternative to the ACORN system which Colliers normally uses.

4.3.2 EVENT CINEMA

Event Cinema is a fusion of cinema and live performance that has been pioneered, with success, by a company called Future Cinema, owned by Fabien Riggall. It stages performances under the brand Secret Cinema. Events in the past have included Prometheus (2012), La Haine (2012), Blade Runner (2010), Lawrence of Arabia (2010) and Bugsy Malone (2009). They have been staged in a variety of unusual venues and attracted large audiences. The Troxy in Limehouse is a venue that Future Cinema uses regularly. They had a programme of 15 performances of Ghostbusters over the 2013 Christmas season, most of which sold out.

4.3.3 ALTERNATIVE CONTENT

Alternative Content is the name given to performances that are projected in cinemas using digital projectors. It was pioneered by the Metropolitan Opera in New York and is, typically, live projection of arts and sports events. It is a fast growing sector and can attract larger audiences than might be expected[43].

Programme suppliers make available the shows and the venue has to liaise with them for a particular show and pay them a fee based on a percentage of box office takings. Programme suppliers include: More2Screen - they have a wide offer, including performances from The Royal Opera House; City Screen – they manage UK independent venues for the National Theatre, NTLive, and also represent Bolshoi Ballet, Glyndebourne and Opera Australia.

4.4 RESIDENTIAL

Zoopla identifies about 52 apartments that are in close vicinity to the Hippodrome.

[43] We were recently told, for example, that a showing of a National Theatre production at the Plaza in Stockport, a restored art deco super cinema, had attracted an audience of 650.

Figure 98: Residential Property on Streets Adjoining Brighton Hippodrome

Address	Value Estimate	Bed rooms	Approx Size (sqm)	£/sqm	Address	Value Estimate	Bed rooms	Approx Size (sqm)	£/sqm
MIDDLE STREET					DUKES LANE				
18	£514,158	4	N		4a	N/A	2		
19	£538,656	3			3a	N/A			
24	£949,193	4	154	£6,164	5a	£341,041	2		
27	£232,743	3			7a	£432,147			
45	£352,516				21a	N/A			
60	£586,031	3	152.2	£3,850	16b	£290,389			
73	N/A				18a	£335,904	2		
74	N/A				19a	£424,818			
3FF, The Sea House	N/A	2	44	£5,568	22a	£378,556	2		
4FF, The Sea House	N/A				SHIP STREET GARDENS				
63-64	£1,159,874				£1	£441,888			
65, 1 Daisy Court	N/A				£2	£325,000	3	62	£5,242
65, 4 Daisy Court	N/A				£3	N/A	3		
70a	£404,957	3			£4	£556,170	3		
72a	N/A	3	170	£3,588	£8	£417,654	3		
SHIP STREET					£9	£436,883	2		
2	N/A				£13	£266,065	2		
14	£208,151				13a	£627,054	3		
14a	£873,785	4			12a	£154,473			
17	£740,442				16, 1 The Chambers	£292,030	2		
18-19, 1 Saks House	N/A				16, 2 The Chambers	£263,704			
18-19, 2 Saks House	N/A				16, 3 The Chambers	£232,288			
18-19, 3 Saks House	N/A				16, 4 The Chambers	£193,143			
18-19, 5 Saks House	N/A				16, 5 The Chambers	£307,720			
23	£602,137				16, 6 The Chambers	£332,693			
32	N/A								
54-55	£1,715,048								
60	N/A								
63a	N/A								

Source: Zoopla/Rightmove

The Avalon apartment block nearby, extending from West Street to Middle Street, gives an idea of prices being paid for modern apartments in the area. It was built about 10 years ago. It has the advantage of offering parking to some apartments.

Figure 99: Prices paid for apartments sold in Avalon

	Bedrooms	Date Sold	Gross Internal Area of Apartment	Price	£ per sq m
Flat 57	2	Apr-15	*80*	£385,000	£4,813
Flat 32	2	Sep-14	*90*	£570,000	£6,333
Flat 55	2	Aug-14	84	£405,000	£4,821
Flat 36	2	Nov-13	80	£445,000	£5,575

Source: Zoopla. Figures in italics are estimates

This shows that residential property fetches high prices in the area. Robert Stiles[44], who knows the Brighton property market well, confirmed that the area in the vicinity of the Hippodrome is desirable as a residential location and that residential is currently the commercial use that can generate the highest value.

[44] Stiles Harold Williams Partnership LLP.

He said that parking was no longer a major issue for people purchasing apartments in this location.

4.5 HOTELS

There are over 3,500 hotel rooms in Brighton and Hove over 2,000 of which are within 0.5 miles of Brighton Hippodrome.

Figure 100: Hotels within 0.5 miles of Brighton Hippodrome

Title	Grade	Rooms	Opened/Opening	Trading Status/Closed	Brand	Owner	Operator
Hilton Brighton Metropole	4	340	1890	Trading	Hilton	Topland Group (Sol & Eddie Zakay)	Hilton Worldwide
Thistle Brighton	4	210	1987	Trading	The Hotel Collection	Amaris Hospitality (Lone Star Funds)	Amaris Hospitality
Royal Albion	3	204	1826	Trading	Britannia Hotels	Alex Langsam	Britannia Hotels
Grand	4	201	1864	Trading	Independent	Wittington Investments (Galen & Hilary Weston)	Kew Green Management
Premier Inn Brighton City Centre	Budget	161	1999	Trading	Premier Inn	Whitbread	Premier Inn
Travelodge Brighton Seafront	Budget	159	1991	Trading	Travelodge	Aberdeen Asset Management	Travelodge Hotels
Old Ship	4	154	1559	Trading	The Hotel Collection	Amaris Hospitality (Lone Star Funds)	Amaris Hospitality
Hotel Ibis Brighton	Budget	140	2013	Trading	Ibis	Lothbury Investment Management	Accor HotelServices
Holiday Inn Brighton Seafront	4	131	1967	Trading	Holiday Inn	Kew Green Holdings (Goldman Sachs / TPG / Barclays)	Kew Green Management
Queens	3	94	1823	Trading	Independent	Sellar Property Group	Lowy Hotel Solutions
King's	3	90		Trading	Independent	Lowy Group (Peter / Steve Lowy)	Lowy Hotel Solutions
Myhotel Brighton	4	80	2008	Trading	Myhotel	Andy Thrasyvoulou	New World UK Hospitality
UMI Brighton	3	78		Trading	UMI Hotels	Nicholas James Group	Lowy Hotel Solutions
YHA Brighton	Hostel	51	1819	Trading	YHA	Development Securities	YHA
Hotel du Vin & Bistro	4	49	2002	Trading	Hotel du Vin	Frasers Hospitality UK Holdings	Malmaison Hotel du Vin
West Beach	2	43		Trading	Independent	Independent	Independent
Legends Hotel, Bar & Club	3	40		Trading	Independent	Independent	Independent
New Madeira	3	35		Trading	Independent	Augustus Hotel Group	Augustus Hotel Group
Kipps Hostel	Hostel	34		Trading	Independent	Kipps Hostels	Kipps Hostels
Beach	2	32	1828	Trading	Independent	Independent	Independent
Churchill Palace	2	30		Trading	Independent	Independent	Independent
HostelPoint Brighton	Hostel	28		Trading	Independent	Independent	Independent
Amsterdam	3	25		Trading	Independent	Tulip Brighton	Independent
Granville	3	24		Trading	Independent	Independent	Independent
Artist Residence	3	23		Trading	Independent	Juston Salisbury & Charlotte Newey	Juston Salisbury & Charlotte Newey
Prince Regent	2	20	1955	Trading	Independent	Independent	Independent
Hotel Una	4	19		Trading	Independent	Independent	Independent
Hotel Pelirocco	4	19	2000	Trading	Independent	Jane Slater / Michael Robinson	Jane Slater / Michael Robinson
Topps	3	15		Trading	Independent	Independent	Independent
MAX at Charter House Brighton	Apts	13	2012	Trading	Max Serviced Apartments	Imperial Property Company (David Glover)	Max Serviced Apartments
Cecil House	2	12		Trading	Independent	Augustus Hotel Group	Augustus Hotel Group
Square	4	9	2004	Trading	Independent	Independent	Independent
King's Arms Hostel	Hostel	8	2014	Trading	Independent	Enterprise Inns	KA Hostels Ltd
Hotel Nineteen	3	8		Trading	Independent	Independent	Independent
Grapevine Seafront	Hostel	7		Trading	Independent	Steve Johnson	Steve Johnson
		2586					

Figure 101: Hotel developments in the pipeline in Brighton

Title	*Grade*	*Rooms*	*Opened/Opening*	*Trading Status/Closed*	*Brand*	*Owner*	*Operator*
Light Boutique Aparthotel	Apts	56	Due 2017	Full 2012	Independent	Light Brighton LLP / Stonehurst Estates (Simon Briggs)	Stonehurst Estates
Myhotel Brighton (extension)	4	14	Speculative	Full 2014	Myhotel	Andy Thrasyvoulou	New World UK Hospitality
Bright Helm	3	14	Speculative	Pre-planning	Wetherspoon Hotels	J D Wetherspoon plc	J D Wetherspoon
Brighton Square	4	26	On Hold	Full 2013	Independent	Centurion Group plc / RBS	TBA
Brighton Centre	4	315	Speculative	Pre-planning	Independent	Brighton & Hove City Council / Standard Life	TBA
Old Ship (extension)	4	42	On Hold	Full 2013	The Hotel Collection	Amaris Hospitality (Lone Star Funds)	Amaris Hospitality
Royal Albion (extension)	3	11	Speculative	Full 2014	Britannia Hotels	Alex Langsam	Britannia Hotels
Brighton Harbour Hotel & Spa		77	Due 2016				
		555					

Source: AM:PM Hotels

Colliers INTERNATIONAL

5 CONSULTEES

5.1 ONE TO ONE DISCUSSIONS

Professor Gavin Henderson
Robert Stiles, Stiles Harold Williams Partnership LLP
Howard Barden, Brighton and Hove Council, Head of Tourism and Venues
Julia Gallagher, Visit Brighton
Lincoln Cato, Jonathan Swain, Yen Chung Chong – Ship Street Residents
Julian Russell (Chief Executive), Alvin Hargreaves (Operations Director), Tom Stickland (Business Manager) - HQ Theatres and Hospitality
Marcus Davey, Chief Executive and Artistic Director, The Roundhouse Trust
Julian Caddy, Managing Director, Brighton Fringe
Adrian Vincken, Chief Executive, Theatre Royal Plymouth
William Burdett-Coutts, Riverside Studios
Peter Morris, former Industrial Officer at Society of London Theatre
Fergus Marr, Event Co-ordinator, Raymond Gubbay
Charlotte Barton/ Emma Gullifer, DTZ Investors (Dukes Lane)
Jonathan Russell, Lee Menzies Ltd (theatre producers)
Steve Piper, former GM Brighton Dome and Pavilion Theatre Bournemouth
Andrew Comden, Director, Brighton Dome and Brighton Festival
Peter Wilson, Chief Executive, Theatre Royal Norwich
Peter Roberts, Former technical director and head of theatre development at Delfont Mackintosh Ltd
Graeme McKirdy, Development Officer, Heritage Lottery Fund South East England
Paula Murray (PM), Assistant Chief Executive; Rob Fraser, Head of Planning and Development, Brighton and Hove City Council
Jane-Eve Straughton, General Manager / Finance Director, English Touring Opera
Mark Wooley, Owner, Saks House

5.2 STAKEHOLDER GROUP WORKSHOPS

Brighton & Hove Council: Councillor Warren Morgan, Leader; Paula Murray, Assistant Chief Executive; and Rob Fraser, Head of Planning and Development
Brighton Hippodrome CIC/Our Brighton Hippodrome: David Fisher, Steve Pavey, Helen Walker, Jo Jameson, Tony Jaffe, Liz Hall, John Muir, and Gavin Henderson
The Frank Matcham Society: Rupert Rhymes, Mike Sell, John Earl and Mark Price
Historic England: Dr Andrew Brown
Live Nation/AMG: Russell Duly, Head of UK Property
The Theatres Trust: Mhora Samuel; Rebecca Morland, Claire Appleby, and Tim Foster

5.3 OUR BRIGHTON HIPPODROME SEMINARS

David Wynn-Jones, OBH supporter & ex Trustee
Averil Older OBH Trustee
Gerry Oxley, Max Miller Appreciation Society & OBH fundraiser
Jevon Antoni-Jay, OBH originator
Sam Moffett, Events Promoter (English Disco Lovers etc)
Sandria Reese (her recently late husband was an OBH Trustee)
Annette Routledge (SOH)
Vicki Crowther (SOH)
Celia Twining, OBH supporter & ex Trustee
Steve Piper (OBH Trustee & ex-Dome GM)
David Sewell (Pavilion Gardens Café owner)
Nick Flowers (musician)
Arthur Green (OBH life member)
Peter French (Ship St Residents Association)
Councillor Alan Robins (Economic Development & Culture Committee)
Councillor Tom Druitt (Ward Councillor)
Liz Slough (OBH)
Thomas Everchild OBH Trustee
Judith Taylor (OBH)
Dave Streeter (SOH, with resp for social media)
Beth Heard (Brighton Theatre Group Youth member)
Daniel Lawton (Dora Bryan's son)
Sara Winnington, (OBH Trustee)
Chris Pobjoy (OBH Trustee)
Carole Bremson (OBH Trustee)
Colin Dibley (Operations Manager Synergy Centre)
Carol Smallwood (Ship Street Residents)
Tony Pol (Ship Street Residents)
Kayla Roscoe (Ship Street Residents)
Sarah Randall (SOH)
Collette Williams (SOH)
Mike Black (OBH Trustee)
David Lavender (OBH Trustee) Co Founder Komedia
Johnny Worthy (OBH Trustee) past chair – Save Londons Theatres
Carole Todd (Director & Choreographer, worked with Bill Kenwright etc)
Mjka Scott (OBH Trustee) Chair Equity Brighton
Simon Jenner (Vice Chair, OBH)
Steve Peake The Synergy Centre, West Street
Susi Maxwell Stewart (OBH Trustee)

CONTACT DETAILS

Tel: 020 7344 6582
david.geddes@colliers.com

Colliers International
50 George Street
London W1U 7GA