

The Theatres Trust on behalf of the Burnley Empire
Stakeholders Group

Burnley Empire Viability Study Stage 1 Report

November 2016

Bonnar Keenlyside

Contents

PAGE

1. Summary	1
2. Introduction	4
3. Context	6
4. The Market	8
5. Funding Appraisal	15
6. Consultation	18
7. Illustrative Models	23
8. Building Issues and Options	25
9. Conclusions and Next Steps	29

1. Summary

- 1.1. The Theatres Trust, with partners in the local community, commissioned a study to determine if there might be a viable future use for the Burnley Empire in the context of its imminent potential sale by auction. The Empire is an important Grade II listed theatre on the Theatre Buildings at Risk register and has been disused since 1995. Burnley Empire Stakeholder Group includes the community group Burnley Empire Theatre Trust (BETT), Burnley College, Burnley Borough Council, Burnley and District Civic Trust, The Theatres Trust and the University of Central Lancashire.
- 1.2. Bonnar Keenlyside (BK) and Theatresearch are leading consultants in the redevelopment of theatres and were commissioned to undertake the study in autumn 2016. The study considered what the options might be for the future use of the Empire in the context of the available market, operating context and economic issues. Key considerations include the significant costs which would be incurred to restore the building and the associated restrictions of its listed status. This rules out most uses and the review found there to be no demand from commercial or social users for the facility.
- 1.3. The market appraisal identified there to be insufficient market demand for the Empire to operate as a traditional theatre/entertainment venue. The population within Burnley and the surrounding catchment area is neither large enough nor does it include sufficient numbers of people who are likely to attend theatre. Further, there are several theatres in the region already attracting audiences who live in the area. The Burnley Mechanics serves the local population for most live entertainment and its success is of high priority for the Council.
- 1.4. At the same time, there are a number of strands of activity which could coalesce around the Empire with the potential to become a music/night club venue including events associated with a student union. This sort of venue would be informal with a rough and ready building. In addition, the venue could offer project space for independent artists, rehearsal space for amateur and community groups and activities with a particular emphasis on young people. There would be a strong training stream including potentially an academy for live production and special effects and further, a close partnership with UCLAN Burnley.

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Burnley Empire Viability Study Stage 1 Report*

- 1.5. This would be an innovative model. The concept builds on ideas suggested during the consultation and has the potential to build on Burnley's history including community arts development, night club life and the entrepreneurial and independent spirit in the town. With its emphasis on the independent and young people, it has potential to contribute to strengthening the town's attractiveness to young people, students and creative individuals and enterprises and to complement the Mechanics and Burnley Youth Theatre. It would build upon Burnley's pioneering traditions to create a new operating model involving individuals and organisations from across the private, educational, cultural, independent and community sectors.
- 1.6. There is evidence of strong support from the local community which can be translated into volunteering. A survey of BETT members identified a wide range of skills and commitment to regular volunteer work equivalent to 90 full time jobs a week.
- 1.7. Recognised as an area of low cultural engagement, a redevelopment of the Empire would be eligible to attract development and capital funding from a number of public sources including the Heritage and Arts Lotteries and other Lottery and European funding schemes administered by the Local Economic Partnership. Any such funding would be dependent on the demonstration of viability, sustainability and positive outcomes for communities, people and heritage including positive economic, social and cultural impacts.
- 1.8. Burnley Council itself is not in a position to provide financial support for the restoration of the Empire. It faces a number of financial challenges and the town includes several empty and disused properties whilst the town centre itself is currently consolidating into a smaller area. However the Council would welcome a viable community operation which did not compete with the Mechanics and does not require funding from the Council.
- 1.9. The current poor state and disuse of the building is of concern for the Council which has a duty of care to protect the public from danger, for example from falling masonry. Doing nothing is likely to ultimately have significant cost implications for the local authority. The potential to take an incremental approach may achieve better value for money.

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Burnley Empire Viability Study Stage 1 Report*

- 1.10. The Empire is a large venue which is currently in a poor condition and has been split into a number of land parcels and varying ownerships. Restoring it would be a significant but not impossible undertaking. There is a clear opportunity to take an incremental approach to its redevelopment with a project phased as part of a vision for a long term viable and sustainable development. This would include undertaking a minimum amount of works to make the building wind and watertight in order to enable the stage house to be used for music and creative projects and events. The restoration work could be undertaken as a training project, supported by UCLAN, Burnley College, Prince's Trust and the private sector. Skills would include a wide range relevant to achieving the project including design, building conservation and construction with an emphasis on heritage skills topics which could attract Heritage Lottery Fund investment.
- 1.11. The next stages in this project will involve developing partnerships, capacity, activity and engagement with BETT playing a key role in harnessing community support and hands on skills. This should be supplemented with additional professional project development during the next stage, to develop and prove the concept. This would include: partnership development including with potential commercial operators, creative enterprises, local businesses, training and higher and further education partners; further engagement and consultation in particular with young people; working with potential funders including Heritage Lottery Fund, Arts Lottery Funds, Local Economic Partnership and the Prince's Trusts; and scoping of the works required to develop the building.

2. Introduction

Background

- 2.1. The 1200-seat Burnley Empire was built in 1894. The auditorium was reconstructed in 1911 by the architect Bertie Crewe. It is East Lancashire's only Grade II listed purpose-built Edwardian theatre. The theatre is considered to have a high level of architectural interest nationally, the principal feature being the interior which retains most of the original structure and elaborate detail with robust and richly formed plasterwork in the Classical style.
- 2.2. The theatre has been disused and empty since 1995, when Gala Bingo moved out, and is now in a poor condition both internally and externally, with water ingress appearing to be accelerating the decay of the structure. In 1997, Burnley Council together with Burnley Light Opera Society and the Theatres Trust commissioned a study to assess the scope for returning the former theatre to high level and high cost touring live theatre and entertainment use. This concluded that that the building could be restored and returned to theatrical use at a cost of £9.5m and would require subsidy to operate as a traditional presenting theatre. The owner subsequently went into administration and the main portion of the building, the stage house and auditorium, is now in the hands of the Crown, who is keen to dispose of the building.
- 2.3. In 2013, Burnley Borough Council served a Section 77 Order and undertook works (in default) to remove an area of failing render and erect safety fencing on an elevation abutting the highway to keep the public at a safe distance. Due to health and safety issues, access to the interior of the theatre is currently possible only under special circumstances.
- 2.4. The theatre sits on a landlocked site in central Burnley and has very little presence within the town, especially since it has no street frontage. Various units around the theatre, some of which were originally part of its demise and are technically still Grade II listed, are now under other ownership.
- 2.5. Burnley Council currently has no immediate resources available either to restore the theatre or to provide revenue funding if it were to be re-opened.

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Burnley Empire Viability Study Stage 1 Report*

- 2.6. In 2015, people within the community came together and approached the Theatres Trust with concerns and ambitions for the theatre. Burnley Empire Theatre Trust (BETT) has been involved in advocacy and fundraising and has started brokering partnerships with other potential stakeholders. Following a meeting between the Trust, BETT and Burnley Borough Council in December 2015, Burnley Council agreed to contribute some funding towards a viability study to identify a future for the theatre, alongside funding from the Theatres Trust.
- 2.7. Other potential stakeholders came on board in early spring 2016, and the Burnley Empire Stakeholder Group had its first meeting in March 2016. Members of the Stakeholder Group are: Burnley Empire Theatre Trust, Burnley College, Burnley Borough Council, Burnley and District Civic Trust, the Theatres Trust and the University of Central Lancashire. The Stakeholder Group has agreed to progress this Viability Study, and there is a Memorandum of Understanding in place to support this.
- 2.8. The Crown Estate is prepared to offer the building to BETT for £1 and, should BETT not avail of this offer, it will start the process of auctioning the theatre in April 2017.
- 2.9. BETT is currently in the process of applying for charitable status with a view to being able to support the development and operation of the Empire.

Viability Study

- 2.10. Bonnar Keenlyside (BK) with Theatresearch were commissioned to undertake an initial study, identifying and assessing the market potential for any possible viable use and to consider the likely operating model and availability of funding. This involved a wide consultation process within a very short timescale during the period end of August to early October 2016. The research included a detailed analysis of the demand for theatre and entertainment and consultation with cultural, community, business and public agencies. Those consulted are listed in Appendix A.

3. Context

- 3.1. The market for potential uses has been assessed within the specific cultural, community and social/economic context.

Cultural

- 3.2. East Lancashire is an area of low cultural and arts engagement, with the local population including many people with low incomes and of a low propensity to engage in culture. This is evident to Burnley Borough Council, Burnley Leisure which programmes Burnley Mechanics, to Arts Council England and Heritage Lottery. The Arts Council has supported a number of initiatives to encourage more engagement including through its Creative People and Places programme. This includes Super Slow Way, an artist and community programme from Blackburn to Pendle, which builds on the area's traditions in community arts. Super Slow Way also connects to the development of spaces which can include art as part of a larger development including: the flagship leisure and business development at Brierfield Mill where community artists In-Situ are involved; and the Cotton Exchange Blackburn which is being developed by a charity Re:source Blackburn, led by Re:ignite church.
- 3.3. Arts Council England and Heritage Lottery Fund recognise East Lancashire as a as 'cold spot' and therefore an investment priority for its development and capital funds.
- 3.4. Both the town and county councils are facing ongoing financial pressures and Lancashire County Council has committed to removing all funding for the arts.
- 3.5. There are therefore significant challenges but also some existing strengths in grass-roots and artist led groups.

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Burnley Empire Viability Study Stage 1 Report*

Community

- 3.6. Burnley has a population of 87,500 and shows signs of having halted and begun to address a decade of population decline. In comparison with Lancashire and the UK, Burnley has seen a greater decline in its working age population, a smaller increase in the population over 65 and a greater increase in the number of children and young people under 15. According to the 2010 Index of Multiple Deprivation, Burnley is ranked as the 11th most deprived local authority area and Burnley Action Partnership states in its community strategy that the borough is continuing to address challenges in relation to educational attainment and poor health.¹
- 3.7. Burnley College has 7,500 registered students and the UCLAN Burnley campus, which currently has 750 students and plans to increase this number.

Economy

- 3.8. Between 2009 and 2014 the number of people employed in Burnley increased by 10.5%, compared with 3% in the North West and 5% in Great Britain. The majority are employed in the private sector. The town has seen a growth in the number of businesses at a higher rate than the North West and UK averages and has 2440 businesses of which 98% are small or micro enterprises. Notable entrepreneurial successes include Crow Wood Leisure and, relevant to this study, film sound company AMS Neve and special effects company, BPM-SFX which has recently re-located to Burnley. The town has a high number of apprenticeships.
- 3.9. In 2013 Burnley was named as the most enterprising area of the UK by the government for its 'pioneering' culture and economic prospects. Burnley was praised for its Bondholders scheme, which brought together over 100 firms to promote the town as a place for business and has attracted £10m of investment. The town is promoted as lively and enterprising with a strong sense of pride.
- 3.10. The Council is considering future planning to take account of the consolidation of the town centre and the significant number of empty industrial properties.
- 3.11. Improved transport links to Manchester offer opportunities to attract more businesses and residents.

¹ Burnley's Future 2014-2017

http://www.burnley.gov.uk/sites/default/files/Community%20Strategy%202014-17_0.pdf

4. The Market

Market Demand

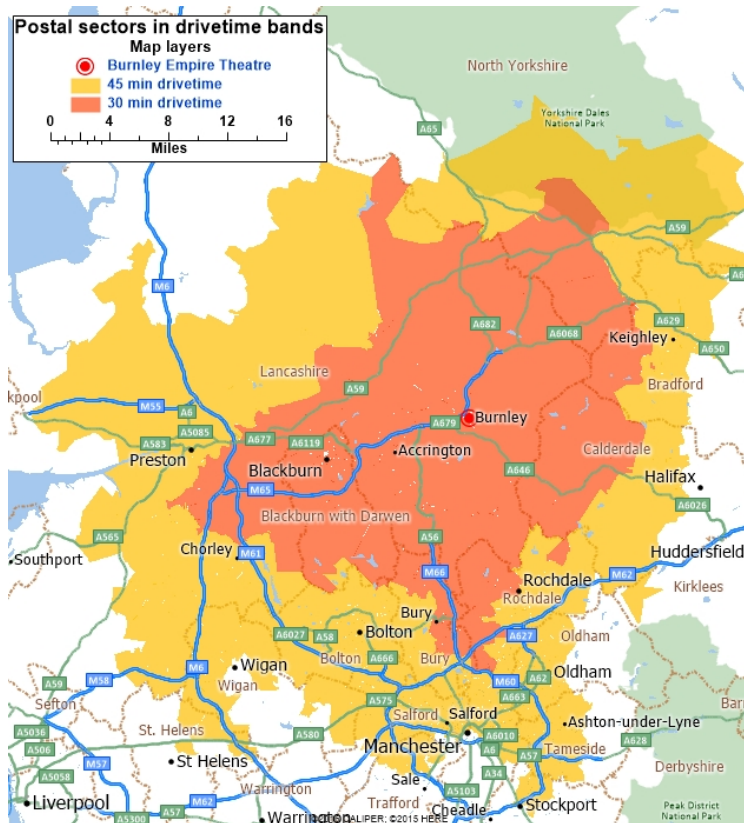
- 4.1. Research and consultation with local businesses, commercial agents, Burnley Borough Council and other agencies was undertaken to establish the demand for social, educational and commercial uses. This found there to be no demand to use the Empire for several reasons:
- the Empire does lend itself to any particular use other than a theatre or entertainment venue; while it would be theoretically possible to use it for a large pub, restaurant, soft play area or cinema, there is no demand for venues additional to those already in the town;
 - the location is not particularly good for any new business;
 - the high costs of restoring the building, the difficulties in assembling the site and the restrictions in terms of its listed status, make it even less attractive in a market saturated with other empty properties;
 - the size and composition of the populations restrict the commercial opportunities.

Entertainment venue

- 4.2. A detailed mapping of the potential market for performances was undertaken and is attached as Appendix B, Technical Report. It includes an analysis of the potential catchment areas for these various uses (including demographics and residents' cultural engagement profiles) and a review of the cultural facilities within or servicing the area. These are then used to gain insights about the potential audience for a new cultural and/or community venue.
- 4.3. Two catchment areas have been analysed:
- that for a medium scale performance venue within 30 minutes drivetime;
 - that for a major regional performance venue, drawing audiences from up to 45 minutes drivetime.

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Burnley Empire Viability Study Stage 1 Report*

- 4.4. The 30-minute catchment area includes Burnley, Blackburn, Accrington, Nelson and Colne and stretches to parts of Clitheroe to the North and the Bury and Rochdale districts of Greater Manchester to the South. It is home to a population of just over 790,000 people, 20% of whom are children under the age of 16.
- 4.5. The 45 minute drivetime also includes more densely populated areas including Preston, Chorley, Bolton, Oldham, Salford and parts of Manchester, Tameside, Stockport and Trafford. This is reflected in the additional 2.2 million people living within this area. These are illustrated below:



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Burnley Empire Viability Study Stage 1 Report*

- 4.6. A detailed analysis of the populations within each of these catchments identifies that the population includes relatively low levels of audiences with propensity to engage with theatre and culture, for reasons of tradition, income and education.
- 4.7. Three MOSAIC² groups make up almost half of population within the 30 and 45 minute drivetimes, twice the national average:
- *Urban Cohesion*: multi-cultural, ethnically diverse and with a high proportion of South Asian communities, older people and families, low engagement, potential for cultural festivals and participatory activities;
 - *Modest Traditions*: low incomes, routine jobs live alone or as part of a couple or with older children who have struggled to leave home, occasional celebration and seasonal performance;
 - *Suburban Stability*: older couples and families with average incomes and in intermediate occupations; most likely to have disposable income for the occasional cultural or other entertainment activity.
- 4.8. The market can be further explored using Audience Spectrum³ segmentation which illustrates:
- an over-representation of *Dormitory Dependables* within the 30 minute drivetime area. This group is characterised as being regular if infrequent theatre goers who, like the *Trips & Treats* and *Home & Heritage* segments, could be attracted by traditional, mainstream theatre productions including musicals and seasonal shows. Together these three segments make up 43% of the population within the 30 minute drivetime area from which these types of production are most likely to draw;
 - an under-representation of the most highly engaged and potentially lucrative segments which make up just 7% of the catchment area populations compared with 16% nationally;

² the Experian Ltd MOSAIC consumer classification draws on a wide range of Census and lifestyle survey data to classify UK households into 15 groups made up of 66 different types based on demographics, lifestyles and behaviour.

³ Audience Spectrum classification developed by the Audience Agency
<https://www.theaudienceagency.org/audience-spectrum/profiles>.

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Burnley Empire Viability Study Stage 1 Report*

- a similar under-representation of the younger *Experience Seekers* group who also tend to engage regularly and seek out more social and experiential activities.

- 4.9. The two segments that typically represent families (low income *Facebook Families* and the more affluent *Trips & Treats*) are over-represented, accounting for 39% and 41% of the population within the 30 and 45 minute drivetime areas. Although their propensities to engage with performing arts are quite different, their predominance within the catchment areas suggest that family oriented programmes/activities could be viable if positioned correctly.
- 4.10. Similarly over-represented within both areas are the remaining three typically least engaged groups: *Up Our Street*, *Kaleidoscope Creativity* and *Heydays*. The three groups make up 29% and 27% of the population within the 30 and 45 minute drivetime areas and, although their engagement is likely to be quite limited, a common characteristic is an interest in community and/or community activities.

Current provision and competition

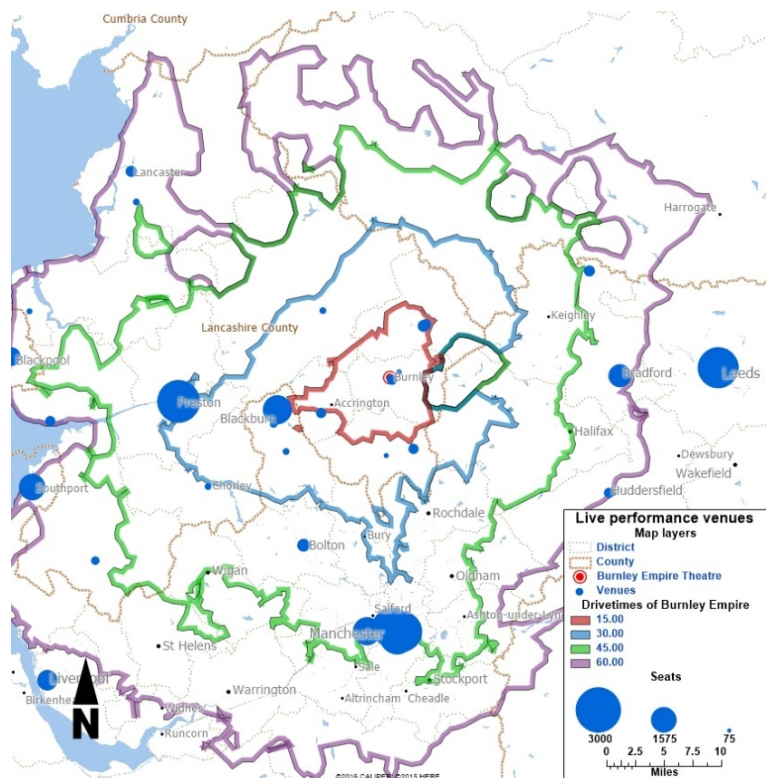
- 4.11. The market potential is therefore limited. Further, existing provision and competition need to be taken into account. Most significant is the Burnley Mechanics which programmes around 100 performances annually attracting around 50,000 attendances, of which half are for tribute bands, light entertainment or music. The Mechanics is a key venue for Burnley Council, run by Burnley Leisure in a venue adjacent to the Town Hall. There is potentially an HLF bid being submitted to increase capability for adult and community education activities at the Mechanics. The Council is clear that any future use of Empire must not compete with Mechanics and complement other existing provision including Burnley Youth Theatre.

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Burnley Empire Viability Study Stage 1 Report*

4.12. The map aside draws on an audit of existing theatre and music venues within and servicing the catchment areas.

4.13. Whilst there is limited existing provision within a 15 minute drivetime of the Empire and towards the north of Burnley (a sparsely populated area) there is strong provision/competition to the west of the 30 minute drivetime and to the south of the 45 minute drivetime from venues located here.

4.14. A detailed analysis of the competition indicates that provision/competition is most limited in the more sparsely populated areas to the east and north of Burnley and strongest to the west and south of the area. (Maps are included in the Technical Report).



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Burnley Empire Viability Study Stage 1 Report*

- 4.15. Taking into account the competition, the available potential market is described here in terms of the number of attenders:

Live performance market accounting for competition	30 minute drivetime of the Empire		45 minute drivetime of the Empire	
	All postal sectors	Postal sectors with limited provision/competition	All postal sectors	Postal sectors with limited provision/competition
All adults	601,700	99,700	2,311,300	312,000
Total population	745,500	121,800	2,848,400	385,200
Theatre attenders (all artforms)	246,700	44,000	926,500	130,800
Popular/rock concert attenders	252,500	43,800	950,400	131,000
Ballet attenders	49,600	8,900	183,100	25,100
Classical Music attenders	70,100	12,400	257,500	34,200
Contemporary Dance attenders	38,500	6,200	144,900	16,900
Plays & Drama attenders	173,600	30,600	644,300	88,300
Cinema attenders	396,600	66,600	1,500,800	203,000

- 4.16. The available market for live performance is limited across all artforms within a 30 minute catchment area and insufficient to make a case to redevelop the building for use as a traditional theatre/entertainment venue. The available market within 45 minutes is also limited. While it would be theoretically possible to create a programme that was so attractive that it could attract audiences from the wider catchment area, this is both unlikely and unrealistic due to the market conditions. A commercial operator would typically look for a subsidy of between £500k and £750k per annum to operate a theatre and entertainment venue in such a restricted market. Further, the Burnley Mechanics is already operating in this market. We conclude that there is insufficient market demand to make a theatre viable.

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Burnley Empire Viability Study Stage 1 Report*

4.17. However, there may be potential for a club/pop venue. The average number of times an attender visits is 2.24 per annum for theatre and 1.95 for rock and pop. Club venues often attract multiple visits per annum. If this were 5 visits per annum, then there would be a market potential of over 200,000 per annum.

	30 minute catchment		
	attenders	no of visits pa	total visits
theatre	44,000	2.24	98,560
pop and rock	43,800	1.95	85,410
pop, rock and club	43,800	5.00	219,000

5. Funding Appraisal

- 5.1. There are a number of potential sources of funding for a restoration and redevelopment of the Empire. The prime potential funder is the Heritage Lottery Fund (HLF) with potential funding also from the Arts Lottery and other social and lottery funding through the Lancashire Economic partnership (LEP). Burnley is a priority funding zone for lottery funds.

Heritage Lottery Fund

- 5.2. HLF has a number of funding programmes with grants from £3,000 to over £5million which achieve outcomes for heritage, people and communities. The Empire project could attract funding from alternative programmes. In the first instance, a project development grant could support the next stage of the project. Ultimately, the project could attract funding either through the traditional Heritage Project Grant or through the Heritage Enterprise Scheme .
- 5.3. The Heritage Grants programme is for large heritage projects and support schemes with clear outcomes for heritage, people and communities and which are viable and sustainable. Applications go through a two-round process and can include development funding.
- 5.4. The Heritage Enterprise Scheme is designed to help communities repair derelict historic places, giving them productive new uses. By funding the repair costs and making these buildings commercially viable, the scheme aims to support commercial business activity in vacant sites. It is for not-for-profit organisations working with private partners to generate economic growth.
- 5.5. HLF also includes other schemes which may be relevant including *Kick the Dust* which aims to make heritage relevant to the lives of young people, aged 11-25 .

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Burnley Empire Viability Study Stage 1 Report*

Arts Lottery

- 5.6. The Arts Lottery is distributed by the Arts Council of England (ACE), which has five goals, with Goal 3 being the priority for capital investment

Goal 1. Excellence is thriving and celebrated in the arts, museums and libraries

Goal 2. Everyone has an opportunity to experience and be inspired by the arts, museums and libraries

Goal 3. The arts, museums and libraries are resilient and environmentally sustainable

Goal 4. The leadership and workforce in the arts, museums and libraries are diverse and appropriately skilled

Goal 5. Every child and young person has the opportunity to experience the richness of the arts, museums and libraries

- 5.7. Eligibility for grants is focussed on ACE's National Portfolio Organisations. However, the small capital grant programme (under £500k) may be open to the Empire (tbc) the next round of funding opens on 12 January 2017 and closes in March. There is no published date for any future funding rounds.
- 5.8. Both the Prince's Charities and the Architectural Heritage Fund would be prepared to consider engagement with the project at the next stages of viability and project development.

Lancashire Economic Partnership LEP

- 5.9. The LEP operates a number of time limited funding programmes to support growth and regeneration. This includes the 2014-2020 European Structural and Investment Funds (ESIF) Growth Programme provides funds to help local areas stimulate growth. The funds support investment in innovation, businesses, skills and employment to improve local growth and create jobs. Further exploration of potential support for the project should take place when the concept for the Empire is further developed.

Other sources of capital funding

5.10. Comparator developments illustrate the other main sources of capital funding:

- loans for example Community Investment Fund;
- community fundraising;
- the application of a restoration levy on tickets when trading.

5.11. In addition, there are several trusts and funds which support capacity development which may be worth approaching as the concept develops, including Esmee Fairbairn Trust.

6. Consultation

6.1. The consultation found:

- demand for affordable rehearsal and performance space for amateur companies, Basics Theatre School and others;
- interest from BETT members and some others for entertainment, theatre and dance venue of scale;
- interest in place where independent artists, creative and companies can make and curate work;
- strong support for the concept of a music/student union facility;
- strong support for the idea of involving young people in the concept development;
- strong interest in training.

Community theatre/entertainment venue

- 6.2. Consultation with local amateur groups found there to be demand for affordable rehearsal and performance space. Basics Junior Theatre also expressed interest in using the Empire for its weekly classes.

BETT survey

- 6.3. A survey was promoted by BETT. This was designed to establish the level of community support. The full responses are included in Appendix C. 344 individuals responded including artists, performers and other creatives, surveyors and other building and design professionals, marketing, administration and programming professional, retired people and students:

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Burnley Empire Viability Study Stage 1 Report*

BETT Survey Respondents	
Professional artist/performer/other creative practitioner	51
Amateur artist/performer/other creative practitioner	60
Arts/performance group	14
Other including tradesperson, student, professional, retired etc	219

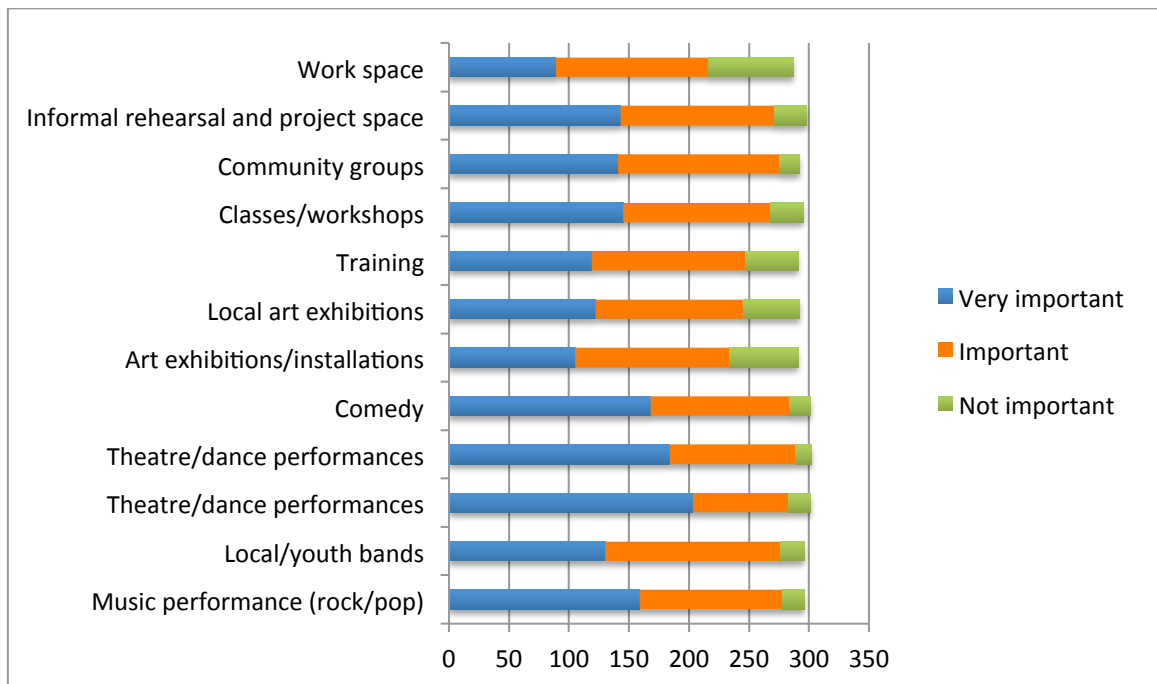
6.4. 151 respondents stated their willingness to volunteer and offered a wide range of skills:

	Less than 4 hours	4-8 hours	8-20 hours	20-40 hours
Direction and Programming	37	17	8	1
Finance/Bookkeeping	34	10	1	0
Fundraising	52	24	5	1
Management	36	21	5	1
Front of House/duty management	34	31	12	2
Marketing and social media	37	27	10	3
Teaching/training	36	18	6	2
Technical/installation	30	12	2	2
Working with community groups/volunteers	49	29	8	3
Other	35	8	5	2

6.5. Other skills offered range from painting and decorating, making tea and social media to performing to raise cash. On this basis, there could be up to 3,000 hours per week available, or 90 full time equivalent jobs. This is a major potential resource.

6.6. The respondents expressed high demand for all types of performance and artistic use:

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Burnley Empire Viability Study Stage 1 Report*



Creative independent space

- 6.7. Several of those consulted, including independent creatives, existing arts organisations and agencies expressed strong support for the creation of a space where artists, creative entrepreneurs could make things happen. There was further strong support for the idea of involving young people at an early stage.
- 6.8. Both the Heritage Lottery Fund and the Prince's Trust could be a partner in supporting both heritage based training programmes and apprenticeships specifically targeted at the development of conservation led skills and techniques, for example fibrous plasterwork.

Music venue/student union

- 6.9. Several participants cited the strength of the local music scene including bands and DJing as well as key businesses including AMS Neve and BPM SFX. A study into the demand for a live music venue was undertaken in December 2013 for Mark Crabtree and supported by Burnley Council⁴ and this suggested that a music venue of around 1200 – 1500 might be sustainable. Further discussions with the authors of this report, themselves operators of venues of this type, and other commercial operators, confirmed that the market conditions for a venue of this size, with a strong club and student focus would likely be sustainable. Key to this is the growing number of students in Burnley with a lack of student union venue and the idea was strongly supported by several consultees including the UCLAN Student Union⁵. This would have the potential to support the local music business and to build Burnley's club heritage including the Angels nightclub and the current owner of the Sanctuary Nightclub, and the retail unit which once formed the main entrance to the theatre on St. James Street, has expressed an interest in engaging with the project.
- 6.10. Comparators for such a venue include:
- Albert Hall Manchester which is part of a number of venues and bars operated by independent operator TROF;
 - Norwich University of East Anglia, which is run by the students union; standing, rough/garage finish

Training and skills

- 6.11. There was considerable interest in developing the training and skills element of the Empire, both during construction and planning and also as a major activity strand. It was considered essential that training would be skills would connected to skills required by industry in particular:

⁴ VMS Live – December 2013. Locus Arena Report

⁵ It should be noted that the consultation with the Student Union does not constitute consultation with an official UCLAN SU officer.

Construction phase

- UCLAN interest in partnering during design, development and construction
- Burnley College
- Barnfield Construction (a local construction company)

Activity

- Interest in academy function for production/technical skills

Potential Partners

6.12. The consultation demonstrated that there are a number of potential partners in the development of this project. Those mentioned here are unlikely to be the only ones and it is proposed that others may be identified in the next stage of development:

- BPM-SFX - in events/production/music training (like Backstage Academy)
- Super Slow Way – curation, artists development
- Mid Pennine Arts
- UCLAN and Burnley College
- Barnfield Construction (training)
- The Sanctuary – development and operating partner
- VMS- commercial operator partner
- Prince's Trust – training

7. Illustrative Models

7.1. On the basis of the consultation, a number of options were outlined in terms of likely revenue profile:

- Community Theatre/Professional and amateur
- Independent Creative Space
- Music club

Community Theatre/Professional and amateur

7.2. The main assumptions for this model are that the Empire would largely be operated on a voluntary basis. Successful models include Stockport Plaza and Ayr Gaiety. In order to generate revenue, there would be a limited professional programme including a pantomime. This would require revenue support of a minimum of £250k pa and more likely £500k. Given the market limitations and the lack of revenue funding, this is not viable.

Independent creative space

7.3. This model assumes that the Empire is operated entirely on a voluntary basis and opened only when there is a project or hire. Models include Leith Community Theatre Trust which has recently taken over Leith Theatre. This could be seen as a phase in a longer project.

Music/Club venue

7.4. This assumes that the Empire as a charitable trust receives a modest rental income from a commercial operator.

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Burnley Empire Viability Study Stage 1 Report*

7.5. Each of these has been loosely modelled below:

Burnley Empire Models	Theatre	Independent creative space	Music/club
	£	£	£
Income			
Rent			25000
Tickets and hires	750000	50000	
Secondary trading net	100000	10000	
Subsidy	250000		
Miscellaneous income	20000		
Restoration levy	100000		50000
Total Income	1220000	60000	75000
Costs			
Programme	600000		
Marketing	70000	10000	
Staff	325000		
Building Overheads inc depreciation	150000	30000	75000
Admin Overheads	100000	10000	
Total expenditure	1245000	50000	75000

7.6. While none of these models describes the Empire concept at this early stage, it is clear that the music venue has the potential to be financially viable. It is possible that elements of the independent creative space and potentially amateur and community rehearsal space may be able to be woven into this concept. This requires development and exploration at the next stage of the study.

8. Building Issues and Options

- 8.1. While this stage of the study is not concerned with design and construction, there are some key relevant considerations.
- 8.2. There is clearly no longer an option to do nothing with the building. The current ownership issues need to be resolved through creative partnerships and the immediate dangers associated with falling masonry, threat of fire by intruders etc. resolved in both the short and long terms. If the building was put up for auction it is quite conceivable that the building would once again be bought “blind” without viewing beginning another 20 year cycle of neglect. This represents a significant long term threat for Burnley Council who could ultimately end up picking up the costs associated with stabilisation, or even ultimately demolition. A demolition could further lead to a public enquiry (and associated legal costs) due to the high level of local interest and support for the Empire and its position in the top five of the Theatres Trust Theatre Buildings at Risk Register.
- 8.3. If the building is allowed to deteriorate even further the risk to the public becomes significant:
- Danger from falling masonry
 - Risk of fire and subsequent damage to many adjoining town centre properties
 - Vermin infestation
- 8.4. Burnley Council is fulfilling its duty of care to protect the public from these risks. Whilst the main portion of the property rests with the Crown, Burnley Council is unable to serve a repairs notice on the property.
- 8.5. Fundamentally St James Street cannot be fully revitalised and regenerated until the Burnley Empire problem is resolved once and for all. Nationally it can be clearly demonstrated that theatre building restoration creates a cascade effect of regeneration – the knock on benefits of this scheme would unquestionably be significant for the town centre.

*The Theatres Trust on behalf of the Burnley Empire Stakeholders Group
Burnley Empire Viability Study Stage 1 Report*

- 8.6. The cost of demolition, plus the costs associated with a Public Enquiry would it is believed be well in excess of £1million. Though more work is needed, the cost of making the main body of the building wind and water tight is likely to be significantly less.

Development Opportunities

- 8.7. When the original Burnley Empire site is broken down into the various discrete building blocks the current ownerships are as follows:

- Main Auditorium – The Crown
- Stage House – The Crown
- St James Street Entrance –private ownership
- Dressing Room Block –private ownership
- Foyer Entrance Staircase Block – private ownership

- 8.8. Whilst the division of the original site is seen as a significant problem it is by no means insurmountable – indeed there are opportunities and partnerships to be built whereby the issues are resolved. If they are not resolved, they will become more complex and more costly. If there were to be a sale by auction of the auditorium and stage house parcels next year the problems are likely to be exacerbated as any new owner would be very unlikely to be able to close the huge conservation deficit. Under such circumstances this vicious circle can only be broken by significant capital intervention via a major funding agency e.g. Heritage Lottery Fund.

Potential partnerships

The Sanctuary

- 8.9. There is potential for a partnership with the owner of the Sanctuary particularly in the context of the current negative impacts of the disuse of the Empire on that business.

James St: Stage House: Dressing Rooms

- 8.10. A partnership could be established whereby access could be gained to:
- St James Street Entrance
 - The Stage House
 - The Dressing Room Block
- 8.11. The proscenium arch could then be sealed to allow more modest works to be carried out on three aforementioned portions of the site. This would provide connectivity between St James Street and The Sanctuary and would allow the spaces to be developed as an extension to the current operation of The Sanctuary. The costs associated with this would not be insignificant but they would be much less than the cost of the auditorium works. Based on our knowledge of the building, the costs associated with making the stage house fit for purpose as a “found space” are less onerous.
- 8.12. Such a partnership might be developed on a medium term lease whereby at some point in the future the site could be re-connected for theatre use and at that point in time the freehold could pass from the Crown to a charitable trust – the restoration works complete and immunity from a repairs notice no longer a requirement. It is considered unlikely that the Crown would consider a part sale of the building.

Auditorium Partnership

- 8.13. The Auditorium – having been separated from the stage house with a temporary fire wall could then be developed as a training hub for heritage and conservation skills. The work would involve a full range of skills including: slating joinery, plumbing, electrical, fibrous plaster, heritage decoration, stucco etc. In taking this approach the weakness of the project becomes its strength and is not dissimilar to the pioneering approach which saved the Tyne Theatre & Opera House in Newcastle upon Tyne in the late 1970s.

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Burnley Empire Viability Study Stage 1 Report*

- 8.14. One way of developing this approach to the auditorium would be to form a partnership between a commercial partner such as the locally based Barnfield Construction. The Heritage Enterprise Scheme has been developed by the Heritage Lottery Fund to encourage partnerships between commercial companies and charitable organisations. Burnley has been identified as a priority area by the HLF and under such circumstances it is believed that this is worth investigating further during the next phase of work.

9. Conclusions and Next Steps

- 9.1. This study has found that there may be a potential viable future for the Burnley Empire in a pioneering model involving individuals and organisations from across the private, educational, cultural, independent and community sectors.
- 9.2. There are a number of strands of activity which could coalesce around the Empire with the potential to become a music/night club venue including events associated with a student union. This sort of venue would be informal with a rough and ready building. In addition, the venue could offer project space for independent artists, rehearsal space for amateur and community groups and with a particular emphasis on young people. There would be a strong training stream including potentially an academy for live production and special effects and further, a close partnership with UCLAN Burnley.
- 9.3. This would be an innovative model. The concept builds on ideas suggested during the consultation and has the potential to build on Burnley's history including community arts development, night club life and the entrepreneurial and independent spirit in the town. With its emphasis on the independent and young people, it has potential to contribute to strengthening the town's attractiveness to young people, students and creative individuals and enterprises and to complement the Mechanics and Burnley Youth Theatre.
- 9.4. There is evidence of strong support from the local community which can be translated into volunteering. Recognised as an area of low cultural engagement, a redevelopment of the Empire would be eligible to attract development and capital funding from a number of public sources including the Heritage and Arts Lotteries and other Lottery and European funding schemes administered by the Local Economic Partnership. Any such funding would be dependent on the demonstration of viability, sustainability and positive outcomes for communities, people and heritage including positive economic, social and cultural impacts.
- 9.5. Burnley Council itself is not in a position to support the restoration of the Empire. It faces a number of financial challenges and the town includes several empty and disused property and the town centre itself is consolidating to a smaller area. However the Council would welcome a viable community operation which did not compete with the Mechanics and not require funding from the Council.

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Burnley Empire Viability Study Stage 1 Report*

- 9.6. The current poor state and disuse of the building is of concern for the Council and doing nothing is likely to ultimately have significant cost implications for the local authority. The potential to take an incremental approach may achieve better value for money.
- 9.7. The Empire is a large venue which is currently in a poor condition and is owned in a number of land parcels. Restoring it would be a significant undertaking. There is a clear opportunity to take an incremental approach to its redevelopment with a project phased as part of a vision for a long term viable and sustainable development. This would include undertaking a minimum amount of works to make the building wind and watertight and enable the stage house to be used for music and creative projects and events. The restoration work would be undertaken as a training project, supported by UCLAN, Burnley College, Prince's Trust and the private sector. Skills would include a wide range relevant to achieving the project including design, building conservation and construction with an emphasis on heritage skills.

Proof of Concept and Project Development

- 9.8. The next stages in this project will involve developing partnerships, capacity, activity and engagement with BETT playing a key role in harnessing community support and hands on skills. This should be supplemented with additional professional project development during the next stage, to develop and prove the concept. This would include: partnership development, exploration of funding, scoping of works and site assembly. Should this work establish that the project concept is feasible, then a business model would be produced.

Partnership development

- 9.9. This would further explore and develop partnerships identified at Stage 1 and additional emergent partners including:
- activity partners, including: commercial operators, Super Slow Way, Blaze, Student Union;
 - training partners for construction and activity, including: UCLAN, Barnfield, Burnley College, Backstage Academy and Prince's Trusts;

Building, site and works

- 9.10. This would develop detailed assumptions on condition, phasing and land ownership. This will need to consider the likely possibility that the Crown would not be open to splitting the building acquisition and determine:
- the minimum that would need to be done to make the auditorium watertight and safe;
 - ongoing costs including maintenance inspections etc that would need to be taken into consideration;
- 9.11. Options for site assembly and partnerships would be developed and considered in partnership with the Council and in conjunction with the owners of the various parts of the site. This will include obtaining valuations for the properties.
- 9.12. The concept would be sketched in outline drawings together with outline costs.

Legal

- 9.13. Working in partnership with the Council, advice would be undertaken:
- to clarify the legal position on the current ownership issues including the detail around Bona Vacantia;
 - to consider options including seeking a licence to occupy.

Capital funding

- 9.14. Further discussions would take place with potential funders including ACE, the LEP, HLF and others. This will establish the potential for funding the specific concept and determine the appropriate programmes, requirement and timescale.

Implications for BETT

- 9.15. There would be an identification of the issues, liabilities and potential risks to BETT if it were to take on ownership of the auditorium. This will include highlighting any agreements that BETT would need to have with the Council with regard the condition of this building.

Business model

- 9.16. If these elements stand up to scrutiny and the concept seems viable, then an outline business model would be produced.

Action Plan

- 9.17. A route map for the next stage would further be produced.

Timing

- 9.18. This work will take at least 12 weeks to undertake and therefore should be commissioned as soon as possible so that the concept is proven before the proposed auction of the Empire in April 2017.

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Burnley Empire Viability Study Stage 1 Report*

APPENDIX A Participants				member of BESG
Michael	Ahern	Chief Operating Officer	UCLAN	
Naveed	Ahmad	Community Engagement Officer	Burnley Borough Council	
Claire	Appleby	Architecture Adviser	The Theatres Trust	x
Andrew	Brown	CEO	Crow Wood Leisure	
Mark	Cameron	Creative social entrepreneur	Best Joined up	
Mick	Cartledge	Director of Community Services	Burnley Borough Council	x
Andy	Cooke	Principal	Basics Junior Theatre School	
Mark	Crabtree	CEO	AMS Neve Limited	
Shaun	Dodds	Media & Communications Officer	Burnley, Pendle & Rossendale Council for Voluntary Service	
John	Earl	Ex-Director - The Theatres Trust	Frank Matcham Society President	
Erika	Eden-Porter	Conservation Officer	Burnley Borough Council	
Steve	Forster	Director	VHM	
Bea	Foster	Chair Community Services	Burnley Borough Council	x
Roger	Frost	Chair	Burnley and District Civic Trust	x
Lorna	Greaves	Committee member	50 Something Theatre Company	
Peter	Hall	Architect (ex Duchy of Lancaster)		
Neil	Harris	Lancashire Lead	ACE	
Paul	Hartley	Founding Director	In-Situ	
Jayne	Hodson	Head of Division for Health and Social Care	Burnley College	x
Kate	Ingram	Head of Regeneration and Planning Policy	Burnley Borough Council	
Rizwan	Iqbal		Love and Etiquette Foundation	
Helen	Jones	Head of Cultural Services	Burnley Borough Council	

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Burnley Empire Viability Study Stage 1 Report*

Rebecca	Mason	Development Officer	Heritage Lottery Fund - North West	
Sean	McGrath	Funding Officer	Lancashire Economic Partnership	
Rebecca	Morland	Interim Director	The Theatres Trust	
Adam	Murray	Managing Director	BPM-SFX	
Pino	Musau	Proprietor & Owner of the James Street Theatre Entrance	The Sanctuary	
Madge	Nawaz		Drop the Beat	
Chris	O'Flaherty	Course Leader Building Conservation & Regeneration	University of Central Lancashire	x
Lucie	Oakley	Support Officer (North-West)	Architectural Heritage Fund	
Laurie	Peake	Director	Super Slow Way	
Jonathan	Peter	Prince's Charities	Carillion Secondment	
Leroy	Philbrook	Executive Director	Burnley Youth Theatre	
Daniel	Russell	Artist		
Gareth	Smith	Project Director & Head of Regeneration	Barnfield Construction	
Ben	Watson	Commercial Adviser	Petty Chartered Surveyors	
Matt	Wilde	Project Manager	Blaze	
Richard	Wyatt	Student Resource Centre Officer	UCLAN Burnley	