

### The House of Lords Select Committee on Regenerating Seaside Towns and Communities

Monday 8 October 2018

### **Theatres Trust Response to Call for Evidence**

Seaside towns were once hubs of culture that would run busy summer seasons packed with theatre, variety and music. In many such places the theatre buildings from this era still exist. Some continue to be key community venues and others have been left to decay. Theatres Trust identifies that there is opportunity to restore and repurpose these theatre buildings as year round cultural hubs to serve their local communities and drive regeneration.

I am pleased to respond to the Select Committee's call for evidence on behalf of the Theatres Trust. Not all elements of the inquiry are relevant to the Trust's remit and so I have selectively responded to the numbered questions.

**Remit:** The Theatres Trust is the UK public advisory body for theatre buildings. We work to ensure communities across the UK have access to good quality, resilient theatres where they can be inspired by and enjoy live performance.

We are a statutory consultee in the planning system and we advise theatre owners and operators and local authorities on the design, planning, development and sustainability of theatres, ranging from the restoration and reuse of iconic historic theatres through to the planning and construction of innovative new theatre buildings.

We also advocate on behalf of the sector around national planning policy and draft Local Plans and we offer small grants to theatres needing urgent repairs or improvements such as access. In 2017/18 we advised on over 200 theatre projects and were consulted by over 370 local authorities.

(Question 1) What are the challenges facing seaside towns and communities? Which of those challenges are common to many seaside towns, and to what extent (and why) have such challenges persisted over a number of years?

Seaside towns have economies that were traditionally built around primarily domestic tourism and have suffered over the past decades due to the emergence of cheaper international flights. Many of these towns were once the entertainment capitals of their areas with plentiful variety theatres, opera houses and end of the

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pier shows. As that busy season has diminished employment has dropped in these areas and deprivation has grown.

Of the 35 theatres we have identified as most at risk, 15 are located in coastal communities, two coastal theatres were lost to demolition last year. There are theatres in need of investment that once supported could bring a creative regeneration to communities in need of an influx of new industry and new draws into the town centres. The experience of a pier theatre is a hallmark of British summer holidays but only five operating pier theatres remain. There is a key part of national heritage in the culture of these seaside towns, Theatres Trust would like to see these theatres protected so they can continue to contribute to their local communities.

Places like Margate are at the beginning of this process where creative businesses are blooming and day trippers come not just for an ice cream on the beach but stay for a cultural experience and to engage with the local creative industries. The challenge in a creative regeneration programme is ensuring the residents are not displaced and that they too feel the benefits. This is where theatres can be very effective at making tickets accessible to local people and ensuring they too can benefit from the place's renaissance.

(Question 6) How successful have initiatives that seek to promote tourism and the visitor economy in seaside towns proven to be? How important are these sectors to the economies of seaside towns? Is sufficient attention being given to the potential contribution that could be made by other sectors, beyond tourism?

Economic Impact studies on the value of new or reopened theatres in Stocktonon-Tees, Bradford and Walthamstow have shown that they will bring hundreds of thousands of people into the area and bring large wider economic benefits. The reopening of Bradford Odeon is predicted to bring a benefit of around £10million a year. While none of these are seaside projects, the benefits are replicable when accompanied by an appropriate business plan for the theatre.

(Question 7) Are sufficient tools and resources available to local authorities, property owners and other stakeholders to allow them to promote and deliver the restoration and regeneration of the physical environment in seaside towns? Could new approaches – or the removal of any existing barriers – support further regeneration?

The early stages of restoration projects are critical but it is often difficult for groups to obtain the funding and professional input they require to test the

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viability of such projects. There are extraordinary assets in many seaside towns, long underutilised and often with substantial conservation deficits.

Empowering community groups to commission professional studies demonstrating both the possible reactivation of disused sites and the positive regeneration that brings would put them in a position to build strong cases for support, funding and investment.

We would also encourage support for local authorities looking to enforce the obligations owners of heritage buildings have for the maintenance of their buildings. In our experience local authorities have been reluctant to serve repairs notices in fear that if the work is not carried out then the obligation would transfer to the council, something they no longer have the budget or specialisms to shoulder.

(Question 9) What role should local businesses, SMEs and social enterprises play in seeking to deliver regeneration in seaside towns? How effective is any help currently provided to these groups by the Government, local authorities and others? Are there any barriers to growth that could be addressed by changes in policy?

The theatres in these communities represent an opportunity for growth and better social cohesion. Theatres bring people into town centres year round and are no longer focused on the particular seasons these economies were traditionally reliant on. Once audience members are brought into an area, the surrounding restaurants and cafes can benefit from the increased footfall. SMEs often cluster around theatres serving the productions and the audiences they bring.

In a Dominic Shellard's Economic impact study of UK theatre carried out in 2004, it is estimated that outside of London each audience member brings an additional spend of £7.77 into an economy per visit beyond its direct impact on the theatre. When this is multiplied by the capacity and number of performances in a theatre across the year, it can bring significant benefit. In addition there is the impact of increased employment opportunities and the skills creation that accompanies a busy theatre.

(Question 12) What impact has the Coastal Communities Fund had upon seaside towns and communities? Are any further targeted interventions from Government required?

Coastal Communities funding is welcomed however the level of competition for the funding should be clearly communicated to potential applicants. Applying for funding is a time intensive process and can be difficult for theatre groups to be

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able to resource. Given the high demand for the scheme, it is hoped that it can be extended and grown.

We also acknowledge DCMS's efforts to enable culture-led regeneration through the Culture Development Fund. Local authorities and community groups may have benefitted from a longer gap between announcement and the deadline for expressions of interest particularly as the applications required the formation of new partnerships between local authorities/LEPs and arts organisations. The application process is continuing with a deadline of this month. It will be interesting to see if local authorities in seaside towns have taken this opportunity. This initial round of the scheme was for £20million and invited grants £3million to £7million. It would be valuable to see this scheme repeated and expanded.

(Question 13) To what extent is it currently possible to develop a 'vision' for individual seaside towns? Is there a need for longer-term thinking and, if so, is that need currently being met? What role should Government departments, local authorities, local enterprise partnerships and other stakeholders play in delivering against such a vision, and is any action required to improve integrated working between these groups?

Theatres can deliver an economic boost to places but the long timescale of their redevelopment is sometimes difficult for funders and local authorities to work with. Local Plans can have a big impact in protecting and driving forward culture led regeneration by setting positive visions and priorities for their coastal communities, allocating land and sites for development or restoration, and implementing strong policies which encourage or protect cultural uses. These can be further enhanced by more specific and targeted guidance, policies and delivery frameworks such as Area Action Plans and Masterplans.

At a less strategic level, we would also encourage planning policies and decisions to react positively to proposals for temporary and interim uses which bring vacant buildings back to use while their long-term future is resolved. This is especially the case for cultural uses which can help stimulate the local economy by bringing people into the area and attracting other businesses. Such initiatives can be facilitated through local authority and enterprise partnership support, particularly where they are landowners.

As statutory consultees in the planning system, we advise local authorities against permitting the loss of theatre buildings without an adequate replacement. The challenge for cultural buildings, especially in the context of rising land values, is capturing their true value and investing accordingly. In purely direct commercial terms a residential development is always going to be a 'more valuable' use of

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land in a city centre than a cultural building. The true value of theatres and other cultural buildings goes beyond the economic, of course, including placemaking, identity and wellbeing. But even within the economic sphere often the true value of a theatre is more than just its immediate employment and turnover.

The revenue position of local authorities presents a challenge for them to unlock funding for major projects. Even where a strong business case is presented, projects are not able to proceed. Some forward looking communities such as Stockton On Tees Council have pushed forward with the restoration of their theatre with significant funding as they see it as an essential part of their Town Centre plan. Restrictions on and reductions in Heritage Lottery Fund and Arts Council capital funding make it difficult to see where the funding for major restoration and new build projects will come from.

(Question 14) Are there fiscal or financial measures available which could help to support the regeneration of seaside towns? Could the Government provide any financial freedoms or investments which would help to generate positive change?

Councils such as Stockton, Bradford and Waltham Forest are using PWLB loans to leverage other funding and operator engagement in major theatre buildings in their area where they expect to see significant economic returns from these buildings. Such models can be easily replicated within coastal communities. Availability of affordable loan finance as part of the funding mix for large capital projects could shift more projects into viability.

The reintroduction of VAT on the restoration of listed buildings has a large impact on project viability. Theatres and other community facilities don't generate sufficient VAT to offset this large bill and it is a major consideration in the affordability of a project.

Support for local authorities could be offered to resolve complex land ownership issues that prevent regeneration. Many local authorities are concerned about using their powers to intervene to unlock key sites for restoration and redevelopment.

(Question 15) What role should local people and local communities play in the regeneration of seaside towns and communities? Do good processes of community engagement, and community resilience and capacity building, currently exist and, if so, could they be applied more widely?

Much of Theatres Trust's works involve guiding community groups with an

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ambition to reopen their local theatre. Where local authorities struggle to provide investment, leadership and resources to reopen theatres, community groups have had to step up to delivering projects. The Leith Theatre has reopened through the work of a particularly committed local group. Similarly it is the passion and hard work of local people that reopened the Morecambe Winter Gardens in 2006.

The challenge with this approach is that the groups need to develop specialist skills with very little support and often lack the revenue for essential repairs. Teams are often voluntary and therefore the opening of the theatre is dictated by their availability. This diminishes the community benefit that these theatres could deliver under professional management. Training and development of volunteer staff is challenging to raise funding for and there are limited opportunities for this.

At Theatres Trust we find often basic awareness of local funding opportunities is difficult for community groups to access. Some library services offer access to databases of local trusts and foundations but this is not commonplace. It is also valuable when local authorities lend their support to projects in non-financial ways such as letters to accompany external funding applications.

(Question 16) Do any integrated models of regeneration, bringing together local communities, businesses, public sector bodies and others to pursue common goals, currently exist? If so, how do such models seek to promote physical, social and economic regeneration in seaside towns? How can any lessons learnt from such work be applied more widely - and is further innovation required?

The model often adopted for the restoration of theatres in seaside towns and elsewhere begins with community groups invested in a building, or the desire for an improved cultural offer lobbying local authorities for action. Local authorities then take up the call offering specialist and financial support.

The involvement of business begins where an operator is required and theatre organisations are appointed on management agreements to run and maintain the theatre. In the case of some larger theatres, the operator may be able to make a contribution to the capital costs. Traditionally local authorities would subsidise theatre operators but there is an increasing trend for theatre operations to be tendered on a low or no subsidy basis. There is some concern that smaller theatres will not be sustainable at this level of funding. Local authorities could previously include expectations of education, outreach and programming within theatre contracts but with reducing subsidy their ability to demand this is diminishing.

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One example of where commercial operator in delivering a theatre project is the restoration of the Bradford Odeon where the commitment of the NEC group unlocked local authority loans and LEP funding. Restoring large scale venues like Bradford Odeon are expensive projects however with the increased scale comes an increased revenue potential and an increased benefit to the local economy. The increased revenue stream enables the repayment of Public Works loans allowing the better financing of the restoration. Many of the theatres at risk in coastal communities are on the larger scale so this is a model that may work for them.

Another model of developers working with the local authority is where a developer is required to build a new theatre as a planning requirement. The NST City in Southampton was a recently completed project where this approach was taken. This kind of partnership is not always straightforward and the journey of this theatre is certainly worthy of a case study. In London it is common for theatres to be required through S106 agreements as a planning gain. While this approach is not used frequently outside of London, planning departments could consider this option when negotiating major developments.

Developers can be partners in the restoration of theatres but this creates a challenge in balancing the large cost of restoration projects with the required return for the developer. The scale of development required to raise sufficient funding for the theatre can sometimes overwhelm historic buildings.

This is not the only approach taken, in some situations businesses take the lead, a key seaside example of this is Great Yarmouth where the Hippodrome and a number of other historic theatres are run by a local business. The challenge of this approach is that it becomes difficult to access public and charitable funding to maintain historic buildings central to a place's identity.

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