



**REPORT TO
CORPORATE STRATEGY
OVERVIEW & SCRUTINY
COMMITTEE**

8 October 2010

FINAL REPORT OF THE FUTURIST TASK GROUP – SCR/10/03

WARDS AFFECTED: All

Topic	Task Group (if applicable)	Futurist Task Group
<p>The Futurist Theatre and surrounding land</p>	<p>Cabinet Portfolio Holders</p>	<p>Cllr D Bastiman, Strategic Planning and Regeneration; Cllr Mrs J Jefferson, Tourism and Culture; Cllr P Popple, Harbours and Land; Cllr J Kenyon, Finance, Procurement and Legal</p>
<p>Corporate Priority</p>	<p>Building prosperous communities and creating quality environments</p>	

REASON REPORT REQUESTED: In accordance with the timetable agreed for the Futurist Task Group.

PURPOSE OF REPORT: To present the Corporate Strategy Overview and Scrutiny Committee with the findings and recommendations of the Futurist Task Group.

STATUS OF REPORT:

This report is the work of the Futurist Task Group, on behalf of the Corporate Strategy Overview and Scrutiny Committee. Where opinions are expressed it should be pointed out that they are not necessarily those of Scarborough Borough Council.

While we have sought to draw on this review to make recommendations and suggestions that are helpful to the Council, our work has been designed solely for the purpose of discharging our terms of reference agreed by the Overview and Scrutiny Committee. Accordingly, our work cannot be relied upon to identify every area of strength, weakness or opportunity for improvement.

FOREWORD BY THE CHAIRMAN OF THE TASK GROUP

Since it was set up by the Borough Council last January, to look into the future of the Futurist Theatre, its surrounding business uses, together with the potential for the King Street car park area and the extensions at the rear of the Town Hall, the Task Group has met on many occasions, spanning at least 100 hours. These have included presentations by consultants, recognised experts in the development and theatre world, as well as members of the public.

In addition, the group members held a nine-hour session when the public were invited to come to meet them on an informal basis at the Town Hall to express their views. The group also visited a Stockport theatre which had been highlighted as a success story because of the way it was run by a Trust.

While it may seem an inappropriate time to be carrying out such a study, because of the recession, obviously it can be seen as an ideal time when the construction industry is looking for development opportunities.

It was obvious from the representations made to the group by local residents in particular, that there is much affection for the Futurist Theatre, and that they would welcome a theatre on the site, either the refurbishment of the existing one or a new theatre incorporated in a new development of the entire site. However, presentations were also made by people in the theatre and entertainment world, and by development consultants, that the Futurist's role had declined since its hey-days. We also received financial reports indicating the considerable subsidy which could be needed from the Borough Council to support the redevelopment of the Futurist site.

As a result of representations made to the group regarding the Futurist being operated by a Trust, we visited the Stockport Plaza which proved to be an interesting success story which had been achieved by a Trust made up of business leaders who purchased the Plaza building with a grant from Stockport Metropolitan Borough Council. Such a trust, we felt, could be considered for the Futurist, if it was run by people with business acumen and with good knowledge of the theatre world.

Nevertheless, the site embracing the Futurist, Mermaid, shops etc, together with that of King Street and the rear of the Town Hall was described by one development consultant as being “a fantastic opportunity”.

The Task Group has had the benefit of a wealth of objective advice and information, as well as representations from residents. We are grateful to them for their input into this most important issue affecting Scarborough’s future as a leading holiday destination, and to the council officers for their excellent support.

On a personal note, I would formally like to record my thanks to the members of the Task group, Councillors Ros Fox, Pat Marsburg, Sam Cross and Geoff Evans, for their hard work and many hours of deliberation in helping to point a way forward for this prime site as we seek to ensure that our area remains in the Premier League of British holiday destinations.

A handwritten signature in black ink, reading "David Jeffels". The signature is written in a cursive style with a large initial 'D' and 'J'.

Councillor David Jeffels
Chairman of the Futurist Task Group

1. INTRODUCTION

1.1 The Futurist Task Group was set up following the Corporate Strategy Overview and Scrutiny Committee on 20 January 2010. Members appointed to the Task Group were Councillors G Evans, Mrs R Fox, D Jeffels and Mrs P Marsburg with the Chairman, Councillor S Cross attending in his capacity as Chairman of the Corporate Strategy Overview and Scrutiny Committee. Councillor Jeffels was appointed Task Group Chairman at the inaugural meeting on 18 February 2010.

1.2 The purpose and scope of the review was to identify a strategy for the development of the Futurist Theatre and surrounding land.

1.3 Agreed key outcomes for the review were financially viable proposals which:

- (a) contribute to urban renaissance
- (b) contribute to the Council's Corporate Priorities and the delivery of the Borough's Sustainable Community Strategy
- (c) enhance the entertainment and tourism offer of the town.

With the following indicative reporting timetable for the review:

- Start date – January 2010
- Interim reporting dates – March and May 2010
- Final report date - July 2010
- Revised final report date – October 2010

1.4 The timetable was extended at the first meeting of the Task Group when the complexity and scale of the task became apparent. The immediate priority of the Task Group was to assimilate the substantial information already available and to familiarise ourselves with the entertainment venues in the town. Accordingly, site visits by the Task Group were made to the Open Air Theatre, Spa Complex and Futurist Theatre

1.5 To inform our Review consultants were engaged very early in the process to provide advice to the Task Group. In addition early interviews were held with representatives of the Theatres Trust who had requested that they be involved at an early stage of the Review.

1.6 There then followed a six month intensive review process with expert consultants; several interested local interested stakeholders; an informal "drop in" session for all members of the public. This was linked to an 8 week consultation exercise which ended on 6 September 2010.

1.7 The findings of the Task Group and its recommendations are outlined in sections 5 and 7 of the report.

2. SUMMARY:

- 2.1 This report presents to the Corporate Strategy Overview and Scrutiny Committee the findings of the Futurist Task Group concerning our review of the Futurist Theatre and surrounding land and asks the Committee to consider submitting their recommendations as detailed in section 7 of this report to Cabinet.

3. BACKGROUND

- 3.1 The Futurist Theatre opened as a cinema in 1927. It was subsequently adapted for use as a theatre in the 1960s. In the late 1960s the neo-classical faience façade was overlaid with coloured panels partly for the protection of the public and partly to protect the frontage.
- 3.2 In the 1980s the building together with the adjoining Mermaid building were divided, and the auditorium with backstage facilities and a limited foyer area was purchased by the Council.
- 3.3 The Theatre came into public ownership via Futurist Theatre (Scarborough) Limited, a private company established at the time the then operator decided to discontinue operating the Theatre. The Council took over the theatre from the company in 1999 subject to a series of existing long leases in private ownership. This meant that planning the development of the site was far from straightforward. There were surrounding properties including the Futurist flats, a fish and chip shop, the former Mermaid bar, an amusement arcade and two kiosks in private hands. By 2009 those interests, with the exception of the two kiosks, were in either the ownership of Yorkshire Forward or the Council and the legal arrangements in relation to the two kiosks were revised. A map showing the various site interests is given in the Appendix 3(a).
- 3.4 Since December 2002 the Council has leased the theatre to Barrie Stead on an annual basis and has provided a subsidy which increased in December 2009 from £60k to £100k for one year only subject to review.
- 3.5 In a report (dated 2008) Gleeds and Knight Frank, recommended that the Council should review the position of the Futurist site in January 2010. The major property interests affecting the site are now in public ownership and it was now an appropriate time to review the options for the site to make recommendations on the way forward.
- 3.6 On 20 January 2010 the Corporate Strategy Overview and Scrutiny Committee (CSO&SC) considered a joint report by the Strategic Director (David Archer) and the Head of Legal and Support Services (Reference 10/67) which provided information to Members to scope a review of the potential development of the Futurist Theatre and surrounding land. The report detailed several previous reports commissioned by the Council and details of current land interests on the site. A member of the public, Ms Patricia David, also spoke at this meeting in support of retaining the Theatre.

- 3.7 Viability was a particularly important consideration due to the severe financial constraints on the Council and the need to spend large sums of money on repairs to the roof and the heating system in the next few years.
- 3.8 The scope of the review agreed at the formal Committee meeting included consideration of the extent of the site, constraints upon any proposals, impact of the Spa refurbishment and opening of the Open Air Theatre, contribution to Corporate Plan objectives, future uses, commercial viability, potential sources of funding, suggested witnesses and the consultation process.

4. METHODOLOGY

- 4.1 The following is a list of the Task Group's main activities:

Review background information	18 February 2010
Visits to the Open Air Theatre, Spa Complex and the Futurist Theatre	12 March 2010
Commission Consultants	March – May 2010
Meeting with Mhora Samuel and Bridget Pereira from the Theatres Trust.	12 April 2010
Review Yorkshire Coast Radio listeners' survey.	April 2010
Agreed co-option of Rob Tranmer, Yorkshire Forward onto the Task Group	28 April 2010
Review all correspondence – what is the public saying - to inform questions asked of Consultants and Stakeholders	May 2010
First public meeting with Consultants	9 June 2010
Second public meeting with local interested stakeholders	15 June 2010
Third public meeting with local interested Stakeholders	17 June 2010
Fourth public meeting with Planners and Consultant Architect	8 July 2010
Website (and paper) consultation commences	12 July 2010
Informal "drop-in" day long session 9.30am – 7pm	19 July 2010
Public Consultation ends	6 September 2010
Stockport Plaza Visit	10 September 2010

4.2 We also carried out internet research and investigated many other sources of information including:-

- Letters, e-mails and information received from the general public
- Scarborough Evening News articles, letters and website comments
- Yorkshire Coast Radio listeners survey
- Yorkshire Coast College Student, Zoe Groom – survey
- Web-site consultation
- Futurist customer profiling report
- Stockport Plaza Trust information and visit
- Sunderland Empire Theatre Trust

4.3 These findings were taken into consideration when coming to our conclusions.

5. KEY FINDINGS

5.1 Existing background information

5.1.1 Following the Corporate Strategy Overview and Scrutiny Committee meeting on 20 January 2010, we were supplied with copies of all previous documents and reports relating to the Futurist Theatre. These went back to 1996 and amounted to nearly 400 pages of information.

5.1.2 The report to the Committee on 20 January 2010 (Reference 10/67) advised that in July 2001, the Council's Planning Committee published a planning brief for detailing how the Futurist Site could be developed within the policies of the Local Plan; the options included demolition or adaptation of the Futurist complex for a scheme of mixed uses which might include some of the following: retail; leisure; cinema; theatre/events auditorium; residential; restaurants and bars. It was believed that development of the site would contribute to the proper planning of the area by improving or removing unsightly buildings, by improving the image and appearance of the Foreshore, diversifying uses along the Foreshore and creating an opportunity for iconic design in line with the Scarborough Renaissance Charter.

5.1.3 In 2003 the consultants, Tourism Enterprise and Management (TEAM) were tasked with conducting a Theatre and Entertainments Review to inform improvements at the Spa. Inevitably that review referred to the position of the Futurist Theatre in relation to the Spa.

5.1.4 In 2004 ABL Cultural and Consulting were commissioned to undertake a programme of work including stakeholder consultation, catchment analysis, options appraisal and feasibility assessment for theatre and cinema provision in the region.

5.1.5 On 24 May 2005 Cabinet approved the taking of such steps as may be necessary to assemble the land surrounding the Futurist Theatre, and the interests in the theatre, for re-development. Significant progress

has since been achieved as detailed in section 3.3 above in resolving these complex land interests.

- 5.1.6 In 2005 White Young Green in conjunction with Urban Initiatives and Jones Lang Lasalle were commissioned by Yorkshire Forward to produce a commercial viability appraisal and Masterplan for the proposed site identifying the potential costs for a range of development options. At the same time Latham Architects were commissioned to produce proposals in relation to the Spa.
- 5.1.7 In 2008 Gleeds and Knight Frank were commissioned by the Council to produce market research and cost advice on the potential for entertainment provision from the Futurist Theatre site. They developed options but recommended that no further action be taken until January 2010 due to existing market conditions.
- 5.1.8 In Spring and Summer 2009 agreement was reached with the owners of the remaining interests surrounding the Futurist Theatre on terms to bring the outstanding major interests in the land and buildings surrounding the Theatre into public hands. At the same time clarification of the outstanding interests in the two kiosks which continue to operate to the front of the Theatre was achieved through revised lease terms. Consequently the major part of requisite land assembly of the land surrounding the Futurist Theatre and interests in relation to the Futurist Theatre has now been achieved.
- 5.1.9 In the same period a business case was developed by Drivers Jonas for improvement of the entertainment facilities and venue access at the Spa to support a bid to for “Sea Change” funding (a central government grant funding programme) and Yorkshire Forward funding. Within the report consideration was given to the relationship between the Spa and the Futurist. Although prepared in relation to the Spa, publication of this report has generated public debate on the future of the Futurist as the report appeared to suggest that the town did not have an audience capacity to support both venues.
- 5.1.10 At the same time authority was given to enter into a further lease agreement with Barrie Stead Productions for the management of the Futurist Theatre for a further year until the end of December 2010. However, the terms sought by Barrie Stead to continue operating from the Theatre involved a significant increase in revenue subsidy from £60k to £100k.
- 5.1.11 The Council has achieved progress in the delivery of entertainment provision, as envisaged in the ABL Cultural and Consulting report in 2004, namely:
- As part of the funding bid for the redevelopment of the Spa a business plan was developed which was informed by previous research and the engagement of Audience Yorkshire to identify gaps in the entertainment provision and opportunities. Following

this, extensive user and non user consultation was undertaken to develop the entertainment programme for the Spa.

- The ABL leisure report identified a key gap in the provision for a large multi purpose space for large rock and pop concerts. This has been addressed through the provision of the Open Air Theatre and to a lesser extent the redevelopment of the Grand Hall at the Spa.

5.1.12 However, since a strategy for the future of the Futurist Theatre and the surrounding site had not been developed, the Scrutiny Task Group was formed to assist in that process.

5.1.13 We met for the first time on 18 February 2010 and considered the key points from the documents, following which the purpose and scope of the review were agreed together with key outcomes for the review as detailed in section 1 above. We also agreed that the site to be considered should be much larger than the Futurist Theatre site in isolation and should extend from the Town Hall down to the Foreshore, incorporating the King Street area and the Town Hall extension. The remit of our Group was to develop a strategy for the site, not a development plan.

Visits to the Open Air Theatre, Spa Complex and the Futurist Theatre 12 March 2010

5.2 One of the first tasks was to undertake site visits so that we could see for ourselves the larger entertainment venues in the town. Visits to the Futurist Theatre, the Open Air Theatre and the Spa Complex took place on 12 March 2010.

Open Air Theatre

5.2.1 On 17 October 2009 approval was given by the Leader following the approval of Council to proceed to construct the Open Air Theatre and enter into an agreement for the management of the Theatre with Apollo Resorts and Leisure Ltd.

5.2.2 We received a briefing note and copies of plans from Chris Bourne, Projects and Procurement Manager prior to the visit which outlined the history of the site and main aims and objectives of the project. The first aim was to maintain and develop the facility as a local, regional and national theatre, concert and event provider, providing productions of high quality, for the residents of the Borough, the wider region and for visitors to the town. The key features include:

- Capacity of the reconstructed Open Air Theatre (OAT) is 5510 fixed seats with provision for a further 1000 demountable seats.
- Restoration works included re-construction of concrete seating terraces, renovation of the lighting tower, new buildings for WC's/ticket sales/information, new stages and pontoons.

- Construction work was undertaken by Tolent Construction who commenced work in November 2009 and completed in May 2010.
- Following completion of the construction works a new stage was erected on the island and sound and lighting equipment fitted.
- The Council has entered into an agreement with Apollo Resorts and Leisure Ltd who will operate the venue on behalf of the Council for 25 years from July 2010.

5.2.3 The Group visited the OAT site with Chris Bourne and looked around the whole of the site including the new seating and artistes changing facilities on the island. Work was progressing well at the time despite recent bad weather and was completed on time in May 2010.

5.2.4 Since completion the venue was officially opened by Her Majesty the Queen with a capacity crowd present on 20 May 2010. The venue has since seen a capacity crowd attend the official opening night gala event with internationally renowned stars, Jose Carreras and Dame Kiri Te Kanewa on 23 July 2010. This was followed by a further capacity crowd on 31 July 2010 when an 80's rewind concert was held. Other large crowds were seen in June during the World Cup when matches were displayed on a large screen.

5.2.5 The first year has seen a diverse range of entertainment catering for a broad mix of audience types.

5.3 **The Spa and South Bay Urban Realm Project**

5.3.1 On 2 November 2009 a new business plan for the future management of the Spa was considered by Council and agreement to provide a contribution of £2m (on top of £270k previously approved for feasibility studies) to improve the entertainment facilities and access to the venue subject to the provision of a minimum of £4.27m Yorkshire Forward funding. In addition a bid had been submitted to CAFE for a further £4m making a total budget of £10.54m.

5.3.2 In December 2009 Yorkshire Forward provided approval for the provision of £4.27m to support improvement to the facilities for providing and complementing entertainment at the Spa and access thereto via improvements to the Aquarium Top car park.

The Spa Entertainment Strategy – research 2009

5.3.3 Research has been undertaken to support the development of the entertainment programme for the Spa. This also covered users of other venues in the Borough and non users.

5.3.4 We visited the Spa and received a presentation from Doug Kendall, Project Development Manager who outlined the history of the Spa from its early days to the building designed by Thomas Verity in 1880 which is still in use today. We had previously received a briefing note on the Spa and South Bay Urban Realm Project together with copies of the

Swankye, Hayden Connell Architects (SHCA) Stage D Proposals dated July 2009.

- 5.3.5 The Stage D proposals were linked to the Spa and South Bay Urban Realm Scheme which had been submitted to CABI for funding of a further £4m as mentioned in section 5.3.1 above. The plans were produced prior to being advised that the bid for Sea Change Funding was unsuccessful and that the total funding for the project had reduced.
- 5.3.6 Following the general election in May 2010, Yorkshire Forward (YF) was requested to save £44 million from their budgets. To do this YF proposed to their sponsoring government department, Business Innovation and Skills (BIS) among other things a deferral of £800k of the budget for the Spa capital works that was to be spent in 2010/11 to 2011/12 which meant there was a potential shortfall in funding.
- 5.3.7 On 5 July 2010 Council agreed to continue with the full project, acknowledging that there was a risk that external funding for the scheme would reduce by £800k. Council agreed that £211k of this potential funding shortfall would be underwritten from the Council's capital development reserve, the costs of the scheme would be reduced by £85k (by savings in value engineering and adjustments to works included in the construction contract), and the remaining £504k would be underwritten from the Council's capital contingency reserve. The revised budget for the works was agreed at £5.95m. Yorkshire Forward has since indicated that the £800k should be forthcoming in 2011/12.
- 5.3.8 The Spa and South Bay Urban Realm project was developed to provide the Spa with a far more flexible and usable facilities. The scope of work to be carried out has been revised in line with the reduced budget agreed in November 2009.

The following work is now being undertaken:

- Larger more flexible stage area
- Better access for stage props
- New sprung floor and fixed floor
- Better style and layout of seating
- New dressing rooms for 51 artistes
- New management offices
- New reception area
- Long bar floor to be raised to provide level access and a new bar and all year round restaurant to be formed
- New toilet area
- Better access for disabled including a new lift
- Improvements to the forecourt and approach road
- Upgrading of the Aquarium top car park
- Anti-terrorism works

5.3.9 We were shown plans of the proposed project areas. The works were due to commence (and did) on 19 April 2010 with a 52 week contract period. Following the presentation, we visited the Grand Hall and other areas which were due to undergo works.

5.4 The Futurist Theatre

5.4.1 The Task Group visited the Futurist theatre for a fact finding visit and were met by Mr Barrie Stead (BS), Operator and Mr Andrew Nesbitt (Manager). Members were shown around the theatre auditorium, stage and off stage areas, dressing rooms, bars and corridors.

5.4.2 BS advised that the capacity of the Futurist Theatre was 2150 seats, the 5th largest outside of London. Capacity was important to attract big named acts such as Billy Connolly. The layout of the auditorium was a big advantage in that there were no pillars to obscure views.

5.4.3 BS advised that usual practice in the industry was to book acts 2-3 years in advance. This wasn't possible at the Futurist and prevented the theatre putting on big comedies or West End shows. BS advised that the programme was as good as it was for 2010 due to his personal contacts. Bookings for 2011 had been turned down due to uncertainty about the future of the theatre which was preventing the theatre from moving forward and he considered that the economy was missing out.

5.4.4 The Theatre had originally been built as a cinema in the 1920's and this meant that there was very limited off stage "wing" space for scenery.

5.4.5 It was very difficult to get scenery into the theatre as this had to come through the front doors of the building. Previously scenery had been able to access the theatre via the roof and winched onto the stage. This was no longer possible as the owners of the next door premises had removed floors meaning lorries were no longer able to access the building from the side. BS advised that he had had to turn down certain big shows as it was impossible to get the scenery in. One "big" show would have been on for a week, benefiting the whole area such as restaurants and cafes.

5.4.6 BS advised that he considered that improvements to the stage could lead to big shows being put on such as those put on in Manchester and Sunderland. Some acts were willing to be flexible and accept the theatre as it was such as the Moscow City Ballet but others were unwilling to visit at present.

5.4.7 BS commented that Sunderland was a Council run venue seating 1900 people and this was very successful and able to compete with nearby Newcastle. (See paragraph 5.31 near the end of this report)

Assets at the Theatre include:-

- the availability of a fly tower (unlike the Spa) as this enabled the stage to be cleared in minutes.
- the stage was “raked” which allowed the audience to see well.
- the theatre has 10 dressing rooms which provided a lot of accommodation which BS considered to be in a reasonable condition.

5.4.8 Problems at the Theatre include:-

- the biggest problem was the roof as it continually leaks. Repainting works to the circle had been carried out last year and this was already showing signs of water damage;
- the heating system – it was either on or off and it wasn’t possible to isolate part of the system and also didn’t cope in bad weather. The cost of oil was also an issue;
- toilets needed updating. Paint work had been carried out but further improvements were necessary;
- lack of a proper maintenance programme had caused problems although both BS and SBC had carried out works. Some smaller repairs such as installing draught excluders would help;
- the Circle Bar could only accommodate around 100 people which was insufficient for 2150 people. Bars were essential to generate additional income to support the theatre. Ideally there would be sufficient bars to allow those arriving early to visit the bars prior to taking their seats. It wasn’t possible for technical reasons to open up the auditorium until ½ hour before the performance commenced. This currently meant that often people were left waiting outside;
- The ground floor bar was also very small but could potentially be extended.

5.4.9 BS also advised the Group that that the theatre had quite a lot of “sell outs”; others were 60/70% capacity and some had just 400 attending. He further commented that if the site was developed he believed that it could accommodate a 4 screen cinema and bars/café bars could be shared.

5.4.10 BS further commented that he did not consider that some of the consultants' reports had been as fair as they could have been. He acknowledged that funding was becoming more and more difficult to obtain.

5.4.11 BS did not believe that the Futurist competed in the same market as the Spa and considered that they complemented each other. The Spa put on other events which couldn’t be put on at the Futurist and in his view each should build on their strengths. The Stephen Joseph Theatre had a completely different audience and the OAT would accommodate much larger audiences in the summer months.

5.4.12 Ticket prices were an issue as local audiences were unwilling to pay the same prices as those charged in the West End. The Prince Edward Theatre, in London, had previously introduced a levy on tickets to help pay for the refurbishment of the theatre. Additionally, most theatres nowadays did not work on guarantees but worked on “splits” so theatres were relying on 15% plus bar takings. In addition further sums were paid out from the amount left on charges for the Performing Rights Society, credit card fees and VAT.

5.5 Engagement of Consultants

5.5.1 We also agreed at our first meeting to re-engage Lynne Burton from TEAM in her personal capacity. We also agreed that other Consultants would be engaged as considered appropriate.

Lynne Burton Associates

5.5.2 Lynne Burton Associates is a specialist arts and tourism consultancy. Lynne Burton is a cultural tourism and theatre marketing consultant and project manager. In 2003, Lynne completed a report, through Tourism Enterprise and Management (TEAM) of which she is an Associate, on the redevelopment of the Scarborough Spa Complex, which included a review of theatre and entertainments.

5.5.3 Lynne was engaged in her personal business capacity as a consultant to provide an update summary report for the Task Group, particularly to include the impact of the Open Air Theatre (OAT) and the redevelopment of the Spa. We met with Lynne by video link on 7 April 2010 prior to her commencing work so that she could introduce herself; explain what she could bring to the review and how she envisaged carrying it out.

5.5.4 Lynne recommended that she worked on this commission jointly with Robert Cogo-Fawcett, a highly experienced strategic consultant and theatre management and programming expert with substantial knowledge of touring productions, thus providing two consultants with complementary skills and extensive experience in theatre-related projects including:

- Expertise and experience in strategic planning and implementation of arts and theatre-related projects
- A broad knowledge of programming, operating and marketing high profile theatres and theatre productions across the UK and in Europe
- Programming, producing and managing touring theatre productions
- Previous knowledge of the cultural scene in Scarborough.

Mark Rothery

5.5.5 Mark Rothery, a chartered surveyor and former commercial partner with Knight Frank was engaged to update the Interim Report dated

September 2008 produced by Gleeds with Knight Frank into Theatre Size Assessment, Initial Market Assessments, Indicative Feasibility Studies and Cost Assessments. His brief was to:

- Give a general update;
- Update the initial market assessments, indicative feasibility studies and cost assessments;
- Review the 4 options in the 2008 interim report plus the addition of an option 5 reflecting current market conditions.

5.5.6 Mark is a specialist in retail/leisure and has 10 years experience in the private and public sectors. He also has the advantage of knowing the area well.

Simon Gedye – Studio Gedye Ltd

5.5.7 We considered that it would be helpful to see some ideas on how the site could be redeveloped with or without a theatre (“the art of the possible”). Simon Gedye, Architect (Studio Gedye Ltd) had previously worked on the Creative Industries Centre, Woodend and was commissioned on behalf of the Task Group to produce a concept and vision for the whole Futurist site. The site includes the theatre, King Street Car Park and associated land.

5.5.8 The concept and vision was prepared for the review into the Futurist Theatre and surrounding land to give Councillors and the public a vision of how the site could be transformed. It is intended to show how developing the site could create a physical gateway between the Foreshore and the town centre.

5.5.9 The vision and associated design studies also aim to develop ideas for different spaces within the development to allow for a wide variety of potential uses to add value either financially or in terms of improvements to the public realm.

5.5.10 Simon was aware that the concept and vision were being commissioned purely for information only and were not intended to be seen as an agreed development for the site.

Note: any development would need a planning brief and Council approval on the preferred procurement route prior to seeking interest from developers.

5.6 Meeting with the Theatres Trust - 12 April 2010

5.6.1 We welcomed the opportunity to meet with Mhora Samuel (MS), Theatres Trust Director and her colleague, Bridget Pereira on 12 April 2010 so that we could hear directly the Theatres Trust position. A presentation of the background to the review was given by David Archer, Strategic Director and the process explained. We explained that consultants had been engaged to provide advice to the Task Group and the Theatres Trust were advised that the consultants’

conclusions and recommendations would be presented at a public meeting to which they were welcome to attend.

- 5.6.2 MS thanked the Group for our invitation. Potential funding from Yorkshire Forward was discussed and we advised that Yorkshire Forward had intimated it was unlikely there would be any further funding available due to cuts in their investment programmes.
- 5.6.3 MS confirmed that the Theatres Trust would want to be involved as a statutory consultee in any planning brief for the site. Additionally, the Theatres Trust would like to be involved at an early stage to discuss with consultant(s) what the design brief included.
- 5.6.4 She also stated that the Theatre's Trust has a clear remit to protect all theatres and that the Council should look at the economic impact and viability issues. A large volume building like the Futurist could be put to other uses and the Theatres Trust would be looking to retain and protect the building and retain the stage house. In addition its strategic value was the fact that it had 2,000 seats.

5.6.5 Theatres Trust Comments

- the Futurist was very important as it had a fly tower and touring shows could not go elsewhere.
- there were opportunities within the site to look at a development which incorporated the Futurist. Scarborough is a tourism and leisure town – the larger the entertainment venue the larger the events/shows that can be put on.
- the auditorium could be retained – but the stage needs improvement
- the concealed frontage would need restoration
- backstage accommodation is fair but not up to standard especially for disabled access
- overall the Theatres Trust was impressed with the building
- in response to a question regarding the size of any new theatre, we were advised that a 2,000 seat theatre means that you can consider products which would attract people to Scarborough with West End type products, musicals, light entertainment, comedy, ballet and opera (the ideal would be like for like replacement in terms of scale – with fly tower)
- each theatre is unique
- theatres increase bed spaces.
- in response to a comment about possible “price resistance”, MS commented that the bigger the theatre, the less sensitive you need to be on price – you need to have the right product at the right price to attract an audience that is willing to travel.
- did not consider that the Futurist was in competition with the Metro, Sheffield Arena, Leeds arena as it offered a different product.
- that in any redevelopment the Council would need to look at maintaining the current level of subsidy which was relatively low;

however she hoped that on redevelopment, less support would be required.

- in response to a question as to whether MS was aware of any sources of funding as realistically the Council was unable to fund any major works, she commented that there has to be a private sector development partnership and it was important to look at the long-term. The Futurist should be seen as a cultural and economic asset. In the longer term funding might become available. The Theatre Trust recommendation is to try to keep it open – to keep it running and to keep the programme going. This would:
 - enable phased development round the site
 - enable phased investment in the building
 - maintain the status quo and in the longer term consider restoration of the façade
 - the Heritage Lottery Fund may have funds available
- she was aware that there was a question over whether the Theatre should be listed and commented that the particular sections worth saving would be around the façade and auditorium. Lynne Burton's commission was key regarding the market for the theatre. The Council has to look at its assets of which the Futurist is one and work in harmony with the OAT/Spa etc
- advised of other Theatres where successful renovation works had been carried out such as the Gaiety Theatre on the Isle of Man.
- we asked MS about a comment made that it had been estimated that 80% of all productions that took place in the Futurist could have been put on at the Spa. MS advised that we need to look closely at what the 'shows' need and how we develop the Futurist's cultural offer including the mix – cinema, school use, etc? What does the hirer of the space look for plus ancillary support – certain types of events require a staged atmosphere.
- in response to a comment regarding the current Council subsidy, MS commented that it was good value when compared with the investment in the Spa. Perhaps reduced overheads at the Spa following redevelopment could lead to monies being available for other projects? Brian Bennett, Head of Tourism and Culture advised the Group that any efficiencies arising from the development of the Spa had already been accounted for in future revenue budgets.

5.6.6 MS commented that any redevelopment should look at enabling developments linked to the Theatre which would provide increased revenue. In addition, the Theatres Trust can have a role in drafting S106 planning obligations as part of the process and can give advice.

5.7 Co-option of Rob Tranmer, Yorkshire Forward

5.7.1 We discussed co-option early in the review and agreed that this should only take place if the co-optee could bring expertise that the Task Group did not have. We were very pleased that Rob Tranmer, Area Manager, Renaissance and Property Humber and Coastal Towns,

Yorkshire Forward agreed to be co-opted onto the Task Group. Rob is an experienced Manager with Yorkshire Forward (YF) and since YF own approximately 40% of the site it was helpful to understand their position and views on the work being undertaken by the Task Group.

5.8 Correspondence and comments

Yorkshire Coast Radio – listeners’ comments

5.8.1 In April 2010, Yorkshire Coast Radio supplied a copy of a survey they had undertaken which detailed listeners names, along with comments from some listeners, showing support for retention of the Futurist Theatre. A total of 526 people added their name via Yorkshire Coast Radio’s website, and granted permission for it to be passed to Scarborough Borough Council for consideration when looking at the future of the Theatre.

Student survey – Zoe Groom

5.8.2 In April 2010, Zoe Groom, a student at Yorkshire Coast College met with the Chairman and handed over the results of a survey she had undertaken outside the Futurist Theatre together with a DVD of some digital modelling ideas for the site.

5.8.3 Zoe had surveyed 50 people; 25 local residents and 25 non-residents with interesting results. Whilst accepting that the sampling methods used would not be statistically valid, the amount of work which Zoe had put in was much appreciated.

Scarborough Evening News comments

5.8.4 We are very conscious of the public interest in the Futurist Theatre. The Scarborough Evening News (SEN) has regularly printed letters and articles from members of the public who wish to retain the theatre. The SEN also invited comments from the public via its website seeking opinions on whether the Futurist Theatre should be retained.

General letters and correspondence

5.8.5 A small number of letters and e-mails were also received by Task Group Members and the Council expressing opinions and views. Correspondents were made aware that public meetings would take place in the summer and were later invited to take part in the consultation which took place between 12 July and 6 September 2010.

5.8.6 Comments from Yorkshire Coast Radio, the Scarborough Evening News Website and correspondence from members of the public were taken into account when compiling questions for the consultants and the public consultation questionnaire as detailed in this report.

5.9 **Consultants – first public meeting 9 June 2010**

- 5.9.1 As mentioned previously, four consultants (Lynne Burton, Robert Cogo-Fawcett, Mark Rothery and Simon Gedye) were engaged to provide advice to the Task Group. Three of the consultants spoke at the first public meeting on 9 June 2010. The Group met prior to the first public meeting to agree questions for the consultants which were issued to them in advance of the meeting.
- 5.9.2 Previous correspondence and information was reviewed so that questions to the consultants included those based on comments made by members of the public. We wanted to ask “what the public wants to know” in addition to more technical questions. A press release was issued and posters displayed so that as many people as possible could be made aware of the meeting and also of the two local stakeholder meetings which followed.

5.10 **Mark Rothery**

- 5.10.1 Mark Rothery spoke first to the Group and gave a presentation based on his report. Various photographs were displayed demonstrating that the Futurist building was at the end of its lifespan, the roof and external walls were in need of repair and the building in need of renovation. Mark’s brief is included at paragraphs 5.5.5 above.
- 5.10.2 Mark was asked to update the 4 option appraisals prepared by Gleeds which were designed to assist the Council as to the broad cost implications of the potential options and the potential of the site to fulfil likely demand requirements for the occupiers. His opinion was that the original four options were flawed as they didn’t reflect market demand.

Copies of Mark Rothery’s report and presentation are attached in Appendices 1(a) and 1(b).

Cost and feasibility assessment

- 5.10.3 To allow a comparison to be made with the four framework appraisals which all include a refurbished or new theatre, Mark added a fifth appraisal which omits the theatre and is based on a developer being unrestrained and seeking the ‘here and now’ most viable commercial uses for the site.
- 5.10.4 The five appraisals range from a refurbishment of the existing Futurist and Mermaid buildings through to a total and comprehensive redevelopment of the whole site by means of cutting back the cliff face up to King Street to give the maximum possible development platform. This would allow the theatre and some low income producing uses to be pushed back into the site and give more space for more prominent ‘front of house’ uses and ancillary leisure uses at the front of the site

(Foreshore Road). A fifth option looked at a whole site development without a theatre.

5.10.5 With the exception of option 1 the appraisals have been based upon how a commercial developer acting reasonably and applying prevailing market rents, yields and build costs would approach appraising this opportunity. This will assist in a more realistic evaluation of potential proposals from developers and show clearly how a new theatre fundamentally affects the viability of a scheme.

5.10.6 Included in each option is the profit that a developer is likely to require to progress such a development, as well as the capital subsidy needed from Scarborough Borough Council (or other funding agency) to make the development work. This obviously has potential significant cost implication for the Council which would be added to, if the operator of a new or refurbished theatre was also to require a revenue subsidy.

5.10.7 Mark's assessment has assumed rental payments from a theatre tenant of £430,604 per annum. This is in his opinion what a developer would require to make inclusion of a theatre a viable option.

5.10.8 The options considered were:-

- (a) **Option 1 Refurbishment of existing Futurist and Mermaid buildings**
2010 Cost: £7.7m
Loss: £7.7m
- (b) **Option 2 Refurbishment of Existing Futurist Building, redevelopment of the Mermaid Building and the development of offices or residential dwellings.**
With offices 2010 Cost £15.5m
Loss: £7.9m
With residential 2010 Cost £14.7m
Loss: £9.08m
- (c) **Option 3 Cut cliff face back to King Street and redevelop a new theatre including offices or residential dwellings together with a nightclub, retail and three floors of bars/restaurants.**
With offices 2010 Cost £30.8m
Loss: £6.1m
With residential 2010 Cost £28.9m
Loss: £6.7m
- (d) **Option 4 Cut into cliff face back to King Street and redevelop a new theatre including hotel and offices or residential together with a nightclub, retail, bars/restaurants, a casino, public auditoriums an exhibition/function space and a 150 space car park.**

With offices 2010 Cost £45m

Loss: £11.3m

With residential 2010 Cost £41.7m

Loss: £11.6m

- (e) **Option 5 (Reflecting Current market interest)**
Cut into cliff face back to King Street and redevelop the site excluding a new theatre to include cinema, hotel nightclub, retail, bars/restaurants, residential together with a 250 space car park.
2010 Cost £43.5m
Loss: £3.3m

Notes

5.10.9 Notes as follows:

- original four appraisals include a refurbished or new theatre;
- the 4 feasibility studies still retain office development – fair market rents attributed to the office element based on hypothetical demand (no current demand for Grade A offices);
- options 3 and 4 include a theatre of 1500 seats;
- the annual rental of £430,604 is based on a new 8,000 sq m theatre;
- appraisals use current market values;
- should the Council take a lease from the developer and pay a nominal rent then the amount of capital subsidy payable up front would increase significantly;
- the addition of option 5 which omits the theatre reflects the current market situation;
 - it is based on a hypothetical bid for the site for the most financially viable scheme;
 - office use has been omitted from the scheme as there is in Mark's opinion no market demand for grade A offices of this size in Scarborough, now or in the foreseeable future.

Current Market assessment

5.10.10 The economic climate is still recovering and changing from the dire situation of 2 years ago and whilst property developers are still interested it is difficult to progress developments. Banks are reluctant to lend unless a prime tenant is secured. Mark considered that demand was likely to start outstripping supply from 2012 onwards. Market intelligence has shown that active commercial and leisure tenant interest in the site has been identified from:-

- Hotels
- Restaurants
- Amusements
- Casinos
- Cinemas

5.10.11 Mark's preliminary opinion was that under improved economic conditions commercial, leisure and residential demand for the Futurist location would be sufficient to support a scheme but may still require a development subsidy to make it financially viable.

Conclusions

- 5.10.12 Options 1 - 4 include a theatre and require a significant development subsidy from £6.1m to £11.6m.
- This does not include a 15 year minimum rental liability.
 - Also excludes any rent review increases at 5 and 10 years.
 - Net present value of 15 years rent is an additional capital contribution estimated at £6.5m.
 - Does not take into account annual subsidy to operate or maintain the facility.
 - All the options assume no land value being generated or return on investment already committed by Yorkshire Forward to date on the site (estimated at circa £1m).
 - All options include developer's profit but assume a sizeable developer subsidy.
 - Under improved economic conditions the most viable option is option 5 (excluding a theatre).
 - Option 5 still requires a development subsidy estimated at £3.3m.

Recommendation – Option 6

5.10.13 In view of the fact that Options 1-5 still require significant subsidies, Mark recommended that, dependent upon the Planning Brief, the Futurist site should be looked at as part of a redevelopment of other adjacent Council ownerships, including the Town Hall and King Street car park, as an Option 6 development appraisal. Mark states that this Option would present an attractive opportunity to expand physical links from the Town Centre to the Foreshore and may require no Council subsidy and could show a positive land value. This Option could include or exclude a theatre dependent on viability.

Question and answer session – Mark Rothery (MR)

5.10.14 Mark was asked a number of questions by our Group as detailed below.

Q1. What is the potential for private investment in the Futurist Site?

MR The potential private sector demand is nil interest as the site stands now. If Option 6 was taken at the requisite time then there will be significant demand from developers to develop the wider site.

Q If the focus was put on the King Street development and the extension to the Town Hall would this be attractive to such an extent that the income might support the redevelopment?

MR Yes, inclusion of other sites would help as a stand alone theatre site is wholly unviable with between a £6m and £11m shortfall. If St Nicholas Gardens and third party ownership sites were included the site would be more attractive, for example a boutique hotel in the Town Hall in the next 18 months to 2 years.

Q2. What are the potential barriers to the redevelopment of the site?

MR The inclusion of the theatre is a negative based on the figures demonstrated in the presentation, a theatre is handicapping the development of the site as everything else will be ancillary to it and trying to fit round the footprint of the theatre.

Q3. We have had a lot of comments that the Futurist Theatre must be saved at all costs. As a property developer, how would you respond to that?

MR: Sentiment and passion to preserve buildings is a good thing, however it does come down to economics and demand. Economically the building is past the point of saving for refurbishment. You need to ask what are you saving it for? The opportunity exists to develop the whole site into a gateway and will be a trophy development.

Q4. Refurbishment of the Futurist comes out as one of your cheaper options. On that basis why shouldn't the Council proceed on that basis?

MR: Again ask the questions does Scarborough need a theatre physically in this location? Are you saving something that is not fit for purpose and something that you don't need? MR couldn't answer whether there was enough demand regarding programming as this was not in his remit but can answer regarding profit and loss as demonstrated above. We would be keeping something that people didn't want, wasn't fit for purpose, would exclude the wider development and would be a liability.

Q MR was asked in his professional opinion was this throwing good money after bad.

MR MR replied that it was.

Q5. Could a new mini arena be built on the outskirts of town to host big acts?

MR: This had happened to an extent with the redevelopment of the Open Air Theatre and would be duplicating something that we already had.

Q6. Would redevelopment of the Futurist site with a new or refurbished theatre be less attractive for a private developer and if so, why?

MR: The scheme would be handicapped if a theatre was included in any of the options. It would not maximise the potential of the scheme, economies of scale, finance and everything else would play second fiddle to the theatre.

Q If the theatre was included in any of the options, a developer would not be interested?

MR: It would unequivocally seriously restrict the appetite of developers in that location.

Q7. What type and mix of development do you think the market would be interested in?

MR: Option 5 outlines the viable uses such as hotels, cinema, casino, bars, restaurants and a car park.

Q8. The Futurist site is a large and prominent sea front site. Doesn't a site this size lend itself to a development including a new theatre?

MR: The theatre physically restrains the site and a developer's ability to redevelop it as it restricts the wider scheme. The site is a shop window for Scarborough but a theatre would preclude the mix of uses around it.

Q In reality, if there was a theatre in the options this would reduce the number of developers who would come to view it?

MR: It would be commercial suicide. The theatre is a handicap to procuring the site and restrains developers; there would be much better opportunity for development if the whole site was marketed.

Q9. Was there anything else, other than a casino that could be created alongside the theatre to help subsidise it?

MR: There isn't anything else that could be put alongside the theatre to subsidise it as there would not be the room on site to build anything to do so. The premium for the Casino Operator's licence would reduce the deficit.

**Q10. You mentioned that under better market conditions there would be significant demand for a casino in this location – could you expand as to his reasons for this?
What sort of other types of business do you think would complement a casino on this site?**

MR: The site is opportune to create a gateway site facing the sea on one side and the town on the other. There is no clear linkage between the two at the moment but there could be. If a casino was on this site it would be prominent from both seaward and landward side and would visibly link the two. Other types of business to complement a casino would be a hotel, bars and

restaurants which would create a critical mass hub with the casino as an anchor for the scheme.

Q11. The Futurist site is a prominent site on Scarborough's sea front - the shop window of the town. It is important that the right development is attracted to the site. What would that development be and when would be the best time to release the site?

MR: A planning and regeneration brief would be required. The most economical idea would be to sell the site to residential development and include penthouse flats; however this would be Scarborough selling itself short. A bigger scheme would bring more regeneration benefits, e.g. employment, business rates. At present there are dispersed and disjointed leisure units, a casino would be real focal point. If Scarborough sold itself short by going down the residential "units" route, then the cost would be greater in the long term as the benefits mentioned above would not be realised.

Q Could there be a chance to create a regeneration scheme?

MR MR agreed, the wider benefits of an option 6 regeneration scheme with potential capital receipts would be a win-win situation from a developers, council and taxpayers point of view.

Q Could the site incorporate space for a 1,000 seat lyric theatre which would be a multi-purpose venue used all day long.

MR Replied that it could and a similar idea was incorporated into the Walkergate scheme in Durham. However the Spa Theatre was already offering this and so could be doubling up. A multi-functional space for a theatre and exhibitions linked to a hotel could work well, but a space or void in the scheme would not be attractive.

Q Are you saying that: no matter what, Scarborough had to be wary that we do not duplicate its entertainment?

MR Said this was correct, as common sense told him that two theatres doing the same thing was not right, however it was not in his remit to know if there was demand for this. A developer would prefer a site that was unrestrained in order for that developer to put forward best possible use of the site and the most viable scheme. If there is an insistence on a theatre then this limits the developer's ability to make the scheme viable.

Q What are your views on the soft market testing that you have undertaken?

MR Replied that he had revisited the 2008 list of developers, one of which had gone into administration. A number of developers would look at the scheme again but he could not name any names, several referred to the site as 'not that white elephant again', there was general apathy and a stigma attached to the site. The site needs to be reinvented, renamed with a wide brief as

possible, which would benefit Scarborough. Developers want to look at something new and better that was not restricted. The private sector would determine what would be viable while adhering to a planning and regeneration brief.

Q You referred to the site as a gateway scheme with potential. Why do you think it needs a subsidy and how do we reduce it?

MR The subsidy was there when a theatre was part of the option. The subsidy is substantially reduced to £3.3m in Option 5 when a theatre was not included and this could be further reduced by the inclusion of a casino. A wider site would bring most positive cash value benefits.

Q You mentioned that that it was hoped that the market would pick up by 2012, but if it did not, would the scheme be delayed?

MR MR thought that 2012 would be the earliest the scheme could be marketed, however this was a guide and not a fixed date; otherwise the Council would be a hostage to fortune. If the market picked up sooner then the scheme could be brought forward but this would be determined by Cabinet. It might be 2013 or 2015 but it was important to go for the best opportunity with a wider scheme otherwise there were too many negatives.

Q Your presentation focussed on financial implications; should we be taking into account other factors and not just focus on money?

MR MR replied that as a layman who has worked in Scarborough for some years then other factors do come into play. A balance needs to be achieved. Crown jewels had been lost in the Pavilion and Balmoral hotels, a knee jerk reaction would be to preserve everything, but we need to look at whether something is worth preserving. If it is decided that it is not worth preserving then create something new, that works, that will enhance the Town Centre fabric and sea front. It is wrong to preserve everything, there should be a considered judgement and the Task Group should review all the facts.

5.11 Lynne Burton and Robert Cogo-Fawcett (Lynne Burton Associates)

5.11.1 As detailed in sections 5.5.2 to 5.5.4 above, Lynne Burton, together with colleague Robert Cogo-Fawcett were appointed to review and comment upon previous documentation, and to provide an update summary in relation to the future market potential for the Futurist Theatre in the current market conditions and in the light of recent developments in entertainments provision within the town.

Copies of Lynne Burton and Robert Cogo-Fawcett's report and presentation are attached as Appendices 1(c) and 1(d).

5.11.2 The tasks for this report were:

- To read and review 12 background papers plus other documentation in relation to the Spa Complex and the Open Air Theatre and to comment on, in particular, a Theatre and Cinema Review prepared by ABL Cultural Consulting in 2004, which provided the basis for some conclusions contained within later reports about the potential development of the Futurist Theatre and its site;
- To 'refresh' previously documented findings;
- To discuss findings with members of the Task Group and present a final report.

5.11.3 In order to complete these tasks the consultants have:

- examined the required documentation in some depth and incorporated references and comments throughout the narrative;
- conducted desk research where relevant;
- consulted with a range of key players within the arts and entertainments industry; talked to representatives of comparable venues in the UK and to some local and regional representatives. A notable omission is the current operator of the Futurist Theatre, Barrie Stead, who did not wish to be consulted on this occasion.

5.11.4 The consultants considered that market potential can only be assessed in the light of the potential programming which might be available to the Futurist and, therefore, have also explored in some depth the current national situation with regard to availability of product and the financial considerations of producers and promoters.

5.11.5 Lynne and Robert gave a presentation in which they explained that the Futurist building has serious physical limitations for producers and promoters and to give the public a good experience of theatre-going, e.g. the bars are too small to enable most people to get refreshments. However, given these limitations, the current management had done well and were worthy of praise.

5.11.6 The programme, however, was very lean, with few performances and narrow cultural appeal as could be seen from the 44 performances publicised between May to October. There were also more cinema showings in this period, over 60, than live performances.

5.11.7 A programme of broader appeal needs investment to enable the management to take risks and develop a marketing programme to draw on sections of the population to entice them into the theatre. The theatre had no educational role and this could jeopardise its ability to attract funding.

5.11.8 The main benefit of the theatre is its fly tower which enabled scenery to be stored above and lowered onto the stage.

5.11.9 Shortcomings at the Futurist included: very little wing space, so scenery could not be stored in the wings and no back door to bring the

scenery in which had to be brought in through the auditorium. The orchestra pit is very small for the size of the theatre. The large auditorium is not conducive to an intimate environment and positive audience experience. For these reasons the Futurist is unfit for large scale musicals, opera, ballet and the lack of intimacy is a problem for drama.

National Picture

- 5.11.10 It is becoming increasingly difficult to source large scale musicals due to a shortage of product which was particularly acute in the summer which is when Scarborough is at its busiest. The Touring Week no longer exists with one, two or three nights becoming the norm.
- 5.11.11 The Arts Council funds Opera and Ballet in main conurbations, Scarborough is not a priority. There are no subsidies for musicals. The key to survival is to belong to a circuit but the Futurist does not fit into any of the circuits, partly because of its large seating capacity in relation to its small stage.
- 5.11.12 The key to success is to balance the programme and the length of run against the number of people who want to see the performance. However, in practice this is a very difficult thing to do. If availability of the product is restricted together with a limited catchment area as in Scarborough, the formula for financial success is that much more difficult.
- 5.11.13 Most large scale theatres require substantial subsidies. The Futurist had received in the region of £100k for 2010. ABL's estimate of a requirement of £250K was probably understated. A survey of theatres (average 935 seats) showed an average subsidy of £378K.
- 5.11.14 The consultants had also looked at competition from local venues. There is competition from the Spa especially when refurbished as they are both competing or will compete for the same limited product. The Spa stage is a similar size to the Futurist but with "flying" restrictions. Sight lines would be a problem at the Spa as the floor is flat. However, this could be compensated for by raising the stage. Neither the Futurist nor the Spa could house large scale lyric work.
- 5.11.15 The new Open Air Theatre with its programmes of national and international appeal in early July and August could make the Futurist look dowdy by comparison. Co-ordinated planning between the three venues needs to exist if all three venues remain open.
- 5.11.16 The town could benefit from a dedicated cinema. The Futurist presents more cinema than live shows.
- 5.11.17 The market potential was explored and Lynne explained that the current provision in relation to population size meant that there was an

over capacity of seats. The venues were competing for the same people, audience spend and their leisure time. This was put into context with other seaside resorts by comparing their seating capacity, population and catchment areas.

Factors affecting attendances

- 5.11.18 The consultants looked at factors which affected attendance. At the time of writing the report the consultants advised that Scarborough attendance levels were very low (except for the SJT). The Futurist staged less than 100 performances a year (excluding cinema) estimated at 35% capacity. Large scale theatres stage 200-300+ performances per year. 2009 saw 58% capacity across all theatres in the UK.
- 5.11.19 Population was a major factor with North Yorkshire the second lowest population density in England. Scarborough Borough has a population of 106,243 with approximately 50,000 in Scarborough itself; this limited the potential audience, particular in winter with fewer visitors and inclement weather. Areas with lower density population often support theatres but of much smaller scale, around 800-1300 seats, with larger theatres being based in or near to major conurbations.
- 5.11.20 Another factor is competition and the general catchment area which is sparsely populated rural land. Large scale venues within one to one and a half hours drive away draw on Scarborough's population, e.g. York, Hull, Bradford and Leeds and they already host large-scale productions. The Futurist would have to offer something different to attract these acts into Scarborough. Holiday parks and camps also provided competition.
- 5.11.21 The consultants advised that the ABL and Drivers Jonas research looked at the propensity for lifestyle groups to attend certain genres of theatre. The reports demonstrated a consensus on genres which were under-represented in relation to the local market for each. These were:-
- music (including classical and rock & pop)
 - stand-up comedy
 - plays
 - children's/family events
 - cinema
 - opera, ballet jazz and contemporary dance are also under represented but have low demand in the catchment areas.
- 5.11.22 The Arts Council survey does not identify musicals separately, however UK theatres demonstrated good sales of musicals where the product is available and competition does not exist. Taking account of the dearth of product and other factors beyond Scarborough's control, the best additional potential for the Futurist or the Spa was seen as contemporary stand-up comedy and children's and family entertainment. Other genres of potential are quality music concerts (on

a smaller scale to the Open Air Theatre), commercially produced plays (on a smaller scale than the Futurist theatre) and improved cinema facilities, ideally a multi-screen complex.

Marketing

5.11.23 A crucial element in reaching a theatre's potential is to have good marketing and this needed to be given a higher priority. An average £340,000 was shown to be spent on marketing in a survey, this figure partly split with promoters in some venues.

Subsidies

5.11.24 The consultants advised that major funding from the local authority would be required to retain the Futurist theatre either in a refurbished form or on a new site, together with a considerable annual subsidy (possible three times the current amount) in addition to capital costs.

5.11.25 Overall conclusions

- Previous market assessments are insufficient to fully evaluate the feasibility of a redeveloped Futurist Theatre and there are many factors to consider.
- The lack of programme investment over the last fifteen years has debilitated the Futurist's functionality as much as has the gradual dilapidation of its physical fabric.
- There is a dearth of touring product available nationally, including large-scale musicals.
- The theatre product with the most potential demand and which is readily available (comedy and children's events) could be staged at either of the main venues (the Spa Grand Hall and the Futurist) albeit with a slightly different ambient experience. There also appears to be good demand for cinema.
- There is no evidence to suggest that the retention of a venue of 2000+ seats would be viable and sustainable, especially given the investment in a revitalised Spa Complex, with enhanced staging facilities, and the newly re-opened Open Air Theatre.
- Any new Futurist offer would need to re-convince patrons as well as producers of the security of its covenant. This is likely to prove as expensive to put right as any refurbishment. There would be a major funding requirement from the local authority, not only for capital costs of a redevelopment, but a substantial sum for annual subsidy.
- Should new theatre or cinema provision be considered as part of a redevelopment it is recommended that a full feasibility study is undertaken.

Question and answer session

– Lynne Burton (LB) and Robert Cogo-Fawcett (RCF)

5.11.26 Lynne (LB) and Robert (RCF) were asked a number of questions by our Group as follows:

Q Who is financing the new theatre at Aylesbury that was mentioned in the presentation?

RCF The theatre was financed by the local council. The theatre opens late October and has approximately 1350 seats. It is managed by the Ambassador Theatre Group. RCF did not know anything about the subsidy or any other details.

RCF The Aylesbury theatre was the tenth new receiving house to be built in the last 15 years. This meant that there was a requirement for 500 more touring weeks which was a contributory factor to the lack of product availability in other theatres. It is a new theatre with a local authority subsidy that is also state of the art which disadvantages older theatres.

Q1 Tell us a bit more about the physical limitations of the Futurist and how they constrain the type of show that can be staged?

RCF: The fly tower mentioned in the presentation was a positive factor but the lack of facilities to get the scenery into the theatre and the fact that it has to be manhandled through the auditorium was a disadvantage. Another disadvantage was lack of wing space; this could be hazardous to ballet productions when dancers were exiting the stage. The large auditorium of 2,150 did not lend itself to a good public experience if the audience is small, i.e. there is a lack of intimacy. Where it warrants that arena type stage, it is great but there are not too many Gladiator type shows.

Q2 You talk about a narrow cultural appeal. Surely the entertainment at the Futurist is typical of a seaside resort. What is wrong with that?

RCF: There is nothing wrong with the seaside type of show however if the theatre is to operate for 52 weeks a year then it has to have a broad appeal to as many people as possible across both summer and winter shows.

LB: Staycations could lead to a greater potential for traditional seaside entertainment as well as new forms of entertainment such as Britain's Got Talent. This is an opportunity for Scarborough to take the lead. There still has to be an element of broad and popular appeal.

Q3 What is missing from the entertainment programme that would improve the Futurist's viability?

RCF: The Futurist had a lean programme and the quantity was missing, there was a need to do more, however there was risk involved in this which would need to be financially underpinned. There wasn't one thing that would make a

difference; it would need a strategic approach with a well balance programme of broad and popular appeal. This was easy to do on paper but difficult to achieve. A survey would be required to establish loyalty to the theatre, not just that people like the theatre, but would attend shows regularly. The management would need to devise a programme that would make people regular attenders.

LB: A strategy for the whole of Scarborough was required looking at what the market wants and be given the right support so that the venues, and the town, do not operate in isolation. A protocol needs to be developed between the venues.

Q4 In your opinion are there any elements of the Futurist entertainments programme that could not be accommodated at the Spa Complex?

RCF: No, not a present. There was nothing on the Futurist events website that couldn't be held at the Spa. There were some forms of entertainment, such as rock concerts, that would be better held at the Futurist. The Spa, in his opinion, did not have the best ambience for rock concerts.

Q5 In your report comparisons had been made with the Open Air Theatre and the effect on the Futurist and the Spa, this was not comparing like with like as the Open Air Theatre would be seasonal and outdoors whereas the Futurist and Spa are year round entertainment venues.

RCF: The qualitative experience will be vastly different; the Open Air Theatre is operated by well known management and everyone knows who they are and what they do. Both the Futurist Theatre and Spa will suffer – they are not as brassy and big as the Open Air Theatre.

LB: As well as competing for product the venues are competing for the same patrons with limited amount of time and money.

Q6 It is often said that a refurbished or new theatre could attract grant funding from a variety of sources, such as the Arts Council. What is your view?

RCF: There is funding available for major capital spend on projects from the Arts Council but he questioned whether Scarborough would be seen as a priority. The Arts Council tended to split the country into areas and there were major spends in some areas such as the Lowry in Manchester. The Stephen Joseph Theatre had received lottery money and this may have put other venues at a disadvantage.

Q7 You talk in your report about a national dearth of large scale touring productions. But surely a new Futurist theatre would attract that type of show?

RCF: New theatres always attract interest but, looking back at the experience in Woking where a new purpose built theatre was opened with 1300 seats on 3

levels with car parking. Producers were invited a year before the opening to look around. The theatre did have money as the development was owned by a Swedish company who covered the losses for three years and there were substantial losses in those three years, partly because they had to pay over the odds to attract producers. Producers are interested in getting into theatres as quickly and cheaply as possible, with a marketing strategy and financial backing in place. They may come to Scarborough, but they may have to be paid for them to come, and consequently it may be difficult to have a full year's programme.

Q8 Is the level of subsidy (£100,000 plus major repairs) considering the population of the borough is this out of kilter with what you would expect for a theatre of its size?

RCF: Was not aware of any examples of local authorities round the country who thinks in terms of economic proportion to size of population and spend accordingly. It is more to do with priorities. The problem is the theatre is too big for the town outside the summer months.

Q If a larger subsidy was granted (assuming it could be afforded) would it be more viable?

RCF: Not on that scale. Just putting on more shows won't make it more viable unless it is certain that you can get audiences to attend.

Q9 How far does the current subsidy level restrict the entertainments programme at the Futurist?

RCF: This question has been answered previously. What is restrictive is the level of risk management are prepared to take. The type of programming is very conservative; however it is a tried and tested programme. Would have to think very carefully before taking on new and different programmes on this level of subsidy but there is new product becoming available for example circuses are making a comeback.

Q If the subsidy increased given the theatre-going demographic, would it be advantageous to put on certain types of performances?

LB: The product availability is limited and certain genres may not be worthwhile. Large scale opera and ballet cost a lot of money to put on and may not attract sufficient audiences. Performances such as comedy and children's shows could be available but subsidies would have to be justified with the ratepayers.

RCF: The subsidy can't be looked at in isolation. The building needs to be better e.g. stage improved, better front of house facilities, needs to be part of a whole improvement scheme.

Q10 The Futurist occasionally has a full house, presumably because the act is popular and the price is right. Surely a new theatre would attract that type of act on a regular basis?

Already answered.

Q11 Your report makes reference to the population of the town and seasonality. Scarborough is within the catchment of the major city conurbations. Doesn't that guarantee its future viability?

LB: The limited product availability was going to these major conurbations and it would take a special offer to attract audiences away from these areas to go to Scarborough. The Open Air Theatre was the special offer at the current time.

Q12 How do you respond to the frequent comment that the Spa and the Futurist are not in direct competition?

LB: There is competition for the product when similar programming is offered and it could well be direct competition for audiences and the spend.

Questions 13 and 14 were answered together:

Q13 You refer in your report to an overprovision of seats in the town. What do you mean by that and what are the implications?

Q14 You say that a town the size of Scarborough cannot support a 2000 seat theatre. We have seen a public comment that Bridlington is now being talked about as a premiere venue on the east coast; doesn't Scarborough need a 2000 seat indoor arena to rival that? If not, would a reduced capacity theatre be more appropriate and financially viable?

LB: Bridlington is so close, why would you want to rival it? Scarborough needs to be complementing it. Bridlington can accommodate 3,500 people standing for a concert which is almost rivalling the Open Air Theatre. Scarborough needs to find a way to work with Bridlington as much as possible. The attendance figures for Bridlington Spa were not known. It was noted that acts such as Joe Longthorne were held in the smaller theatre at Bridlington rather than the large hall. There was more scope to look at potential small scale venue of between 800-1300 seats however a feasibility study would be required. This would be worth looking at if quality acts could be brought in, but not to rival Bridlington.

Q15 People often refer to the days when the town supported several live entertainment venues. Why shouldn't that still be true if the product is right?

RCF: Resorts are not what they were, for example there is a different pattern of visitors with day visits becoming the norm that does not include an evening visit to the theatre. Looking back over the past 50 years there were a lot of venues in northern seaside towns but the style of entertainment has changed, e.g. summer family shows barely exist anymore and children are not wanting

that type of entertainment. The British tend to love the venues without necessarily loving the entertainment that is provided within them.

LB: Resort venues have seen some resurgence in family visits, as mentioned above, the effect of the staycation, therefore that is why we are suggesting family entertainment and children's shows such as Peppa Pig. We also have to take into account the free entertainment provided at holiday parks which takes people away from travelling into the town to attend the theatre.

Q16 In your view are there any other hurdles to the redevelopment of the Futurist?

RCF: If you wanted to attract other products such as ballet and comedy, market research would need to be carried. Producers would say 'yes' they will come to a new theatre but wouldn't actually come unless the circumstances were right. An all purpose site is needed to include an adequate orchestra pit, scenery facilities, correct seating, etc. There would be a need to look at audience figures and the size of the subsidy required.

LB: I would give the same answer. There is a requirement to look at what Scarborough as a whole needs, how it might achieve it and the cost.

RCF: We need a straightforward business proposition such as do we need a theatre to cater for summer visitors and what do we do with it for the remainder of the year to make it a viable business asset.

Q17 We have received a lot of comments that the Futurist Theatre must be saved at all costs. As a theatre consultant how would you respond to that?

RCF: The main question to ask the public is how likely are they to support the theatre?

LB: Not enough research has been done on what locals want and costings.

Q If we asked the public if they would support it, they would say yes, in the same way that producers would say "yes" (i.e. they would say "yes" but not actually attend).

RCF: The easy way would be to ask the public if they thought a subsidy on the rates was justified.

LB: It depends on how the question is asked, there is a way to tease out answers but in-depth market surveys are not a cheap option.

5.12 Rob Tranmer, Yorkshire Forward

- 5.12.1 As mentioned earlier, Rob Tranmer, Area Manager, Renaissance and Property Humber and Coastal Towns, Yorkshire Forward agreed to be co-opted onto the Task Group.

Question and answer session – Rob Tranmer (RT), Yorkshire Forward

Q1 What is Yorkshire Forward’s approach to investing in regional towns like Scarborough?

RT: Yorkshire Forward (YF) has invested for a number of years in town and city centres as YF believe that these are the “hub” of the economy. The projects invested in, in Scarborough have been to improve the economy either by creating jobs or improving investment or visitor numbers to the town. This was particularly so with the Harbour and Sandside improvements. When Yorkshire Forward is considering a particular project it looks at the need for regeneration, for example they look at the employment statistics, they look at the opportunities available, for example the Futurist site is a classic example for major improvement. They also consider the environment and financial sustainability, the design of the product, is it good quality to give a long life and demonstrates value for money? They also look at regional priorities and investment and try to achieve a balance geographically and between skills of employees and business requirements.

Q2 Can you confirm Yorkshire Forward’s interest in the Futurist site?

RT: Yorkshire Forward does have a financial interest and could see the opportunity that this site afforded - this was demonstrated in their purchase of The Mermaid building.

Q3 Why has Yorkshire Forward invested in the properties surrounding the Futurist site? What is the motivation?

RT: Yorkshire Forward invested in the properties surrounding the Futurist site in order to create an opportunity for a valuable development to take place at a prominent site. Purchasing the properties enabled the site to be assembled. It is easier to develop a site that is in public ownership as it reduces the risk to a developer who then has to buy the parts of the site that are in private ownership. If the risk is reduced to developers then its attractiveness is increased.

Q4 What is the level of Yorkshire Forward Investment?

RT: The acquisition of the site totalled £1.6m and £17,500 was spent on tidying up the site. There is also a commitment to health and safety works of approximately £5k per year.

Q5 How long can that investment remain as it is? What is the timescale for disposal of your interests in the site?

RT: It would be unreasonable to say that Yorkshire Forward would hold on to its acquisition forever; however they will work with the Council to attract a developer. They may have to renew their position at some time because of change in government policy, which it is impossible to say when that will be. Yorkshire Forward may be in a better position to know the government's intentions after the next budget.

Q6 What is the position relating to Yorkshire Forward's further investment in the site?

RT: This has been partly answered above. We do not know the government's policy yet although we appreciate that there will be significant cuts. In the current climate it is unlikely Yorkshire Forward will be able to commit further funding to the Futurist for the foreseeable future.

Q7 Are there funds or likely to be funds to provide a capital or revenue contribution to a redeveloped theatre venue?

RT: There is unlikely to be much funding available. Yorkshire Forward look at sustainability and are interested in the wider area rather than the theatre, they would be unlikely to invest in the theatre for the theatre's sake. Yorkshire Forward is an economic development agency and not a cultural facility for the sake of culture. Its investment remit is much broader.

Q8 Where would you envisage the funding coming from for any redevelopment of the site?

RT: There are major issues surrounding public funding therefore the money would need to come from the private sector and the Council should be encouraging this. Yorkshire Forward delivers where the private sector cannot; there is always the possibility of lottery funding however I can't comment on the viability of this.

Q9 Have you any comments on the report by Mark Rothery which looks at the viability of developing the site?

RT: The report was quite clear that there is a lot of work to do. The market position is not good but there is hope for the future and it is good to carry out the groundwork. Mark commented on removing the risk to developers given the effect that theatre provision has on the development and financial sustainability. The Council had to balance between the desirability of what is proposed and benefits to the town. RT commented that the Council should not waste the opportunity to make the best of a prime site and he hoped the Council would work with Yorkshire Forward to achieve this.

5.13 **Local stakeholder meetings 15 and 17 June 2010**

5.13.1 We invited several local interested “stakeholders” to attend and speak at two early evening meetings on 15 and 17 June 2010. The speakers were considered to represent the interests of the local community. The invited speakers were:-

15 June 2010

- Patricia David (PD), Campaigner to retain the Futurist
- Nick Edwards (NE), Head of Finance and Asset Management
- Don Robinson (DR), local entrepreneur
- Barrie Stead (BS), Operator, the Futurist Theatre

17 June 2010

- Paul Gregg (PG), Chairman Apollo Resorts and Leisure Ltd
- Graham North (GN), Chairman Forum for Tourism
- Adrian Perry (AP), Chairman Scarborough and District Civic Society
- Stephen Wood (SW), Executive Director, Stephen Joseph Theatre, Scarborough

5.13.2 In addition, Mr Nick Thomas, Chairman of Qdos Entertainment PLC was also invited to attend, but was unavailable on the day. His written responses to specific questions are given below (section 5.22).

5.14 **Patricia David (PD)**

5.14.1 PD spoke in strong support of retaining the Futurist Theatre and gave a presentation to explain her rationale for doing so. PD put forward a proposal to transfer ownership and running of the Futurist to a People’s Trust. PD acknowledged that the Theatre would still need some subsidy but was unable to provide more details at this stage. She specifically quoted the example of the Stockport Plaza Trust. A copy of her presentation slides and notes are included as Appendices 2(a) and 2(b).

5.14.2 The Task Group asked the following questions. Her answers are recorded below.

Question and answer session – Patricia David (PD)

Q1 Can you tell us a bit about yourself and your theatre experience and expertise?

PD As a child I went to the York Opera House every week and from this discovered a love for the Theatre. I also used to go to the Futurist. My main adviser has been my son, who has earned a living in the entertainments business for the last 18 years. He has to know who is doing what and when.

My background is: Management Development, Small Business Development Consultancy, Communications and Marketing

Q2 Clearly you feel strongly about the Futurist Theatre and it obviously evokes high degrees of emotion. Why is the Futurist Theatre so important to you?

PD As I said in the presentation – this is not a private campaign. I was invited to put forward the case for the Futurist on behalf of the citizens of Scarborough. But the Futurist is important to me personally – because of its architectural design – wherever you sit you can see what is going on. It's been important to the Town since 1921 and has developed with the times. Its theatrical history is important too – everyone in each decade has been there. There is no reason why this should stop now – given an opportunity to do so.

Q3 In the light of the presentation from Lynne Burton and Robert Cogofawcett, do you recognise their description of the theatre market place generally? And Scarborough?

PD I have personally lived the theatre and entertainment market for the past 18 years. It's part and parcel of my way of life. I didn't need to hear it I have lived it.

Q4 Are there any areas in which you take issue with in Lynne and Robert's presentation?

PD They weren't saying anything we didn't already know. The end conclusions and recommendations of stand up comedy and family shows have been applying since Barrie took over.

Q5 In your public statement to the Council you stated that if a new independent structural survey shows that it is not financially viable to restore the building, then a new modern building should be built on the site. How do you respond to Mark Rothery, property consultant's comment to the Task Group that it would be "commercial suicide" to include a new/refurbished theatre as part of any new development?

PD It depends what you want to do with the site. If you want to build car parks, casinos, etc, then you don't want a theatre. A developer has informed me that it is not structurally sound and is facing the wrong way. The theatre was fitted into the site – it's not a modern design. Mark Rothery is a property developer – it's his remit. We have looked at it in an entirely new way. The developer looked at it in a holistic way. There is enormous opportunity for return on capital. Part of the remit would be to refurbish it to make it fit its new purpose – integrate a new themed attraction with a theatre in it then the Futurist will have a future.

Q6 Putting emotion aside, any development with a theatre would need a substantial and ongoing revenue subsidy to make it work. Have you any suggestions as to where this subsidy could be found?

PD This was answered in the presentation – an interim solution that would bridge the gap until the site is redeveloped with a themed attraction. It would have to have some subsidy. We have looked at the Stockport Plaza. They negotiated a deal with their Council. It has parallels with the Futurist. It was built in 1930. We spent a whole day with Stockport's financial director. They set up a charitable trust and the Council donated the theatre. This was looked into by the audit Commission, took place 10 years ago and is now a successful theatre which is dependent upon volunteers. Dependent upon a one off payment from the Council, eg a dowry. Note: PD also commented that she felt that Yorkshire Forward could work with them.

Q7 **In your public statement you refer to the nostalgia and personal memories invoked by visits 30, 40 50 years ago. But lifestyles have changed and theatre visitor numbers are not what they were. How sustainable is the Futurist in the light of this?**

PD It's doing what it can with an enormous handicap – Barrie is already doing this. Lifestyles have changed and therefore entertainment styles change. The memories are built into history. Given the mix Barrie Stead is doing this and it is sustainable. It's got to earn its keep and could be part of a vibrant attraction. Given the freedom – it's a much easier thing to do. You have to do the best you can.

Q8 **In your public statement you state that the Spa and Futurist are not in direct competition. Since then a major refurbishment programme has begun at the Spa to make it a more flexible entertainments venue. In light of this and the theatre experts comments on 9 June 2010 that the two are in fact in direct competition, have you changed your view?**

PD No, I haven't changed my view. We have theatre experts ourselves who live and work here who don't agree with it.

The Spa Grand Hall is a concert hall and brilliant at what it does. There is possibly some duplication eg Lesley Garrett. They can operate in tandem/parallel. But in terms of entertainment – it's all part and parcel of who they are and what they do. You won't get modern stand-up comedians into the Spa Grand Hall.

Q9 **In your opinion, how does the Futurist fit with the wider entertainment on offer at the refurbished Spa, new Open Air Theatre and the Stephen Joseph Theatre?**

PD They are four different venues with four different entertainment offers. The Spa Grand Hall does not have raked seats – it's a conference hall and conference venue. Even with refurbishment it's going to be more of the same. The Open Air Theatre will only be open for eight weeks of the year. They have all got their own niche in the town and they've all got their own niche in entertainment. They are all good at what they do. The Futurist is already there – it doesn't have to 'fit in'.

Q10 The idea of a People's run theatre is an interesting one which you say has been thoroughly researched. However, can you say a bit more about how the Trust would work?

PD There is already a successful example at Stockport, run by volunteers with a Board of Trustees who make decisions. But we noticed it does have some weaknesses and we wouldn't want to bring those weaknesses to the Futurist. The business has got to earn its own keep. The Board is responsible for the decision making process but needs to have professional theatre managers who are paid. The Stockport Plaza was previously the Mecca Bingo – volunteers stripped it out, refurbished and expanded it. They also put in a restaurant which is run by a paid catering manager.

Q11 Has a draft business plan been prepared?

PD No. The project is for the whole area and is dependent on what happens to the whole area. The time and effort needed to prepare a business plan is not justified at this stage. Its premature – we need to know how much goes into it. I have trained people in business planning and know what is involved.

Q12 Presumably the Trust would want to inherit a new or refurbished theatre. Can you suggest where the capital funding to do this would come from?

PD It would be dependent on the type of deal the Council would want to off-load the theatre running costs. It would involve complex legal negotiations. Suggest you go and talk to Stockport Council.

Supplementary questions regarding contact with any regional funding bodies.

PD Not until the basic fundamental decisions have been made. We are aware of this. Council off-loads things and lets people run them. This is in agreement with the Conservative manifesto. Yorkshire Forward owns part of the site and they may be interested.

Q13 Is it envisaged that the Theatres' Trust would require ongoing revenue subsidy? If so, where do you envisage that subsidy coming from?

PD The Theatre would have to earn its keep. Stockport gets enough money and has only recently employed full time staff and has paid out more. I talked to Stockport and took an accountant with me. He asked a lot of questions and was satisfied.

Q14 Your presentation makes reference to the successful theatre trusts elsewhere. Can you give us some more information including funding levels?

PD Already brought Stockport as an example. Any percentages of funding levels were negotiated between the Council and Stockport. My finance manager would be able to explain. Suggest you go to Stockport Plaza and ask them. It's too overwhelming at this stage. My finance guy understood all the detail

and I leave them to do what they're good at. He has also looked at the internet at a range of models.

Q15 If commercial operators typically need substantial subsidies to make a theatre viable and sustainable why should a trust be any different?

PD Stockport works because it is run by volunteers – only recently have they had paid staff.

We need to look at every possible source of funding. Stockport received a dowry to convert a bingo hall back into a theatre. The Futurist is already in a better position, in that it is a working theatre but it does need repair work. Its part of a capital investment – so money would come back via that route. A charitable trust could bridge the time before it became part of a new development. We have talked at great length with a property developer.

The question about the Futurist is:

Is it executed or allowed to live?

Will it be listed?

Does it go along the property development route or is a theatre integrated into a tourist site?

Q16 You say in your summary that there would be an opportunity for regional development agency funding. How does this statement fit with Yorkshire Forward's view last week that the opportunity for regional development agency funding is highly unlikely?

PD I agree – but is it to become defunct? There are other aspects to put forward in an application, eg job creation scheme and bringing money into the town. Money is tight but hasn't disappeared altogether, although it would need a very strong case. In terms of marketing a very strong case could be put to the regional development agency. It maybe wishful thinking but a very strong case could be put forward.

Q RF said that the consultants' report had indicated that the Futurist could cost £10m to refurbish – can a charity really take on this?

PD A charity could not but as part of a wider development yes – the developer would be buying the Futurist anyway. The important consideration is the charitable trust and there has got to be some means of bridging the gap. The roof needs doing plus a lot of other things to keep it running. I wasn't able to speak to Nick Taylor but it needs to be kept alive and keep its integrity as an Edwardian theatre.

Q Stockport is near Manchester with a much larger population. (1.5m people). Look at the demographics of Scarborough as described in the Lynne Burton report. They have the capacity for bigger audience potential than we have.

PD They've also got a lot of competition. It's careful to know its place in the totality of what it does. They are on the theatre circuit. The Futurist is dual purpose – with a super cinema. You've got to know what is your market and what does it want. Also where does it come from all the year round? Bookings are made 2 years in advance.

PD I want to end with a brief analogy. In the City of London there was a very large building on a prime site. The most expensive land in the City. It was a centre of excellence for execution. In May 1941 it was bombed and redundant. It was no longer needed for the purpose it was intended. There was no market for it. I wonder what modern property developers would offer for the land?

5.15 Nick Edwards (NE), Head of Finance and Asset Management, Scarborough Borough Council - cost and impact to the Council

Question and answer session – Nick Edward (NE)

Q1 Can you give us your job title and role within the Council?

NE Head of Finance and Asset Management. Also the Council's Section 151 Officer responsible for the Council's finances.

Q2 Can you say something about the Council's financial position both in terms of capital and revenue?

NE The Council's resources are limited and very stretched. The Council has, for a number of years, had to make difficult decisions to ensure it remains within its spending limits and deliver essential priority services to the public. The position is likely to get worse in the future as the whole country facing tough economic times.

The Council has a robust financial strategy in place and it manages its finances very well. Over the last 5 years the Council has made millions of pounds worth of efficiency savings. Last year £1.6m was reduced from the budget and wherever possible cuts in frontline services are avoided. However with estimated savings of £2.2m required for the 2011/12 budget impacts on services cannot be ruled out.

This financial position is not unique to Scarborough Council; other Local Authorities will be facing similar financial pressures.

The Council has a 10 year Capital Strategy in place. Resources are limited. The Council can borrow money to invest in new capital schemes but the Council rule stipulates that borrowing can only be taken if the proposed scheme is an 'invest to save' i.e. it pays for itself over a period of time.

In summary the Council's resources are very tight and any growth to the Council's budget must include corresponding savings to ensure the budget remains in balance.

Q3 Have you seen both Lynne Burton and Robert Cogo-Fawcett and Mark Rothery's presentations?

NE I was not able to attend the presentations but I have seen the reports.

Q4 Mark Rothery reports that a development subsidy of between £3.3m and £11.6m would be needed to support the redevelopment of the Futurist site. What scope would there be for the Council to fund or part fund this subsidy?

NE Based on the Council's current financial position it would be very limited to put money into any scheme. The only way to invest is through the Capital Programme and taking out borrowing. The additional borrowing costs (interest and repayment of the loan principle) would increase the £2.2m savings that already need to be found.

The Council receives several requests for funding each year and the Council has to assess these requests against all its priorities.

Funding a £3.3 project at the Futurist without it paying for itself will damage the financial standing of the Council.

Q5 In addition to the capital subsidy, Lynne Burton reports that a sizable increase to around £400k in the operator subsidy would also be required. Again, how far would the Council be able to support any increase in the current subsidy level?

NE Ultimately this would be a decision for Council Members. However, I would question affordability of such an option particularly as the Council already has to save £2.2m for the 2011/12 budgets.

Putting this into perspective an additional cost of £400k would result in a Council Tax increase of 5%.

With Government expecting to freeze Council Tax increases then this would inevitably result in cuts to other Council services.

Q6 How would any increase in Council subsidy, either capital or revenue be accommodated?

NE There are no spare resources within the Council's capital reserves so the only option would be to borrow funds. Repayment of the borrowing will include principle plus interest (rather like a domestic mortgage). The approximate cost of borrowing would be £250k per year. Adding this to the increased running costs of £400,000 per year results in a significant financial commitment. Putting this into context this equates to a Council tax increase of 8%. Is this affordable? I would have to question the affordability of the scheme.

Q7 How do you respond to comments that the money spent on the Spa and Open Air Theatre could have been used to refurbish the Futurist?

NE Open Air Theatre – This is included in the Sands Development Agreement (which covers 50 acres of land on the North side) whereby the profitable elements of the scheme are used to pay for the non-profitable elements. The cost of £3m for the Open Air Theatre paid for from the profit from selling developments at the Sands. There is no cost to the Council Tax payer.

Scarborough Spa – The £6m refurbishment work is being paid for by £4m from Yorkshire Forward and £2m from affordable borrowing (i.e. repayable from additional income). There was a clear business case as outlined in the independent Drivers Jonas report. The report demonstrates that the borrowing can be repaid and is sustainable in the long term.

Q8 What does it cost the Council to run the Futurist theatre, including the operator subsidy?

NE In 2009-10 the total cost was £143,943 including support services and capital costs. The direct costs total £121,036 which includes £60k to the operator, business rates and insurance.

Council approved an increase in operator's subsidy from £60k to £100k for 2010/11. Further discussions regarding the level of operator's subsidy will be referred back to Council. The anticipated direct cost of operating the Theatre in 2010/11 is £140,760.

Q9 It is often said that the fabric of the Futurist has been neglected. How do you respond to that?

NE The Council undertakes essential repairs to the Futurist. The Council has a maintenance budget of just £700k per year for all the Council properties and therefore needs to prioritise the allocation of funds.

Q10 In cash terms, what is the future maintenance liability for the Futurist theatre?

NE I do not have an exact figure but the future maintenance liability of the Futurist Theatre is expected to be significant

5.16 Question and answer session – Don Robinson (DR)

Q1 Can you tell us a bit about yourself and your business experience, particularly in Scarborough?

DR I ran the London Dungeon and made good profit from it. It's now owned by the Merlin Group. I set up Churchill's War exhibition in London. I've owned Flamingo Land, Dudley Zoo, Whipsnade Zoo, Scarborough's Zoo and Marine land. I have businesses in Bulgaria and although I'm 75 I still enjoy work. I've been in the leisure industry – played professional sport and owned Hull City football club. I've run successful businesses and never lost any money. I've not run anything unless it will at least break even but mostly to make a profit. However, this is a modern era, bringing difficult times especially for the

Council. We now have the best management in the Town Hall that I can remember ever since I was a child. But we are coming into a new era. Looking at the Open Air Theatre – how are you going to make it pay? This has got to be looked at a little differently; this will bring revenue into all the traders in the town, bars, restaurants, shops etc who will be attracted to the shows that are presented at the Open Air Theatre. The income is spread over the rest of the town and will help them to make a profit. But it will be working for the town over all – getting income for the town. We can now build on this and make it a tourist attraction – display the history of Scarborough. People all over have heard of it and are taking note especially with the Queen coming to open the theatre. At the football event I was staggered to see families all in England colours. It was like a big family party. Scarborough is progressing. Regarding the Futurist's programme, I don't believe that the town can afford to be "doing up" the Futurist site.

Q2 Have you any experience in the entertainments business, particularly in Scarborough?

DR I operated the Royal Opera House which we bought from the York Rep Company on behalf of a trust that had previously been formed by the Scarborough people to prevent its closure. It was owned unsuccessfully by the trust for approximately 2 years, no rent was paid to us and the theatre was left empty.

We had to take it back and modernised it (with a new roof, chandeliers, new stage lighting and new bars) and reopened it, and for 12-15 years it did very well. For example, Ken Dodd did two shows nightly for a 2/3 year period and other top artists topped the bill through other years, we had junior showtime in the morning, cinema in the afternoon and midnight hypnotist shows together with two bars – so we were open morning noon and night, seven days a week.

Then it was bought from my Company by the Jay family from Great Yarmouth who operated summer theatres, their main interest at Great Yarmouth and also in other resorts.

You need to understand the business. Barrie Stead has done a good job at the Futurist but its way past its day. How can it continue? It can't compete with the newly refurbished Spa. The town can't do with two theatres of this size as there are not the artists available. The artists these days are not willing to do long summer seasons, only one night stands.

Q Did the audience move over from the Opera House to the Futurist?

(DR combined this with the answer to the next question)

Q3 As a local and very successful businessman, what is your view on the Futurist?

DR In those days there were long summer seasons. Big theatres now aren't doing this – one night stands are the norm. We are not getting long summer shows. Scarborough used to have 15-16 week summer shows for the season. Now

there is only 4-5 weeks when you can make money. The Futurist is a big risk. I feel sorry for Barrie Stead – he has done a good job and the Council must look after him. I'm 75 now and still enjoy working, I run the Britain at war experience in London and have interests abroad – I do think a lot about Scarborough. Could we give our children free tickets and get them to help with clearing up at the OAT? (Note: The OAT is not being run by the Council.)

Q4 You will have seen the newspaper and media headlines following Mark Rothery, property consultant's presentation to the Task Group last week. What are your views on redevelopment of the site including a new or refurbished theatre?

DR It will be a waste of ratepayers' money to build a theatre there. The site needs to go out to the developers for ideas. The Spa is one of the best things that has happened in my lifetime. Some of the decisions made by this Council are the best known. Tom Fox doesn't come from a business background and has done a good job. Scarborough has got all the awards – so many people laugh – but its nice to hear about these awards. Scarborough is progressing and doing very well.

Q5 Have you any experience of property development and do you have any thoughts on how the Futurist site could be best developed for the benefit of the town?

DR It needs a lot of thought over the next year to 18 months to come up with the right formula. It doesn't want anything like the London Dungeon in my opinion (which I previously ran). I have run trips to Las Vegas. Scarborough has got the best mini-Vegas on the seafront with the amusement arcade lights – other resorts have amusement arcades spread out but ours are all contained in one area, with all the lights. It's a great credit to those people that operate the amusements, who have kept up the standards. It has kept us in the competition and now outstrips Blackpool. Years ago I used to be the chair of the Harbour Committee with Peter Popple – there was great opposition to dredging the harbour. But look at it now with all the yachts in the marina. We have to move with the times – the fishing industry was in decline. We are the best resort. Look at the sea wall – lessons were learned on the overspend – but the skate park is another good feature. The North side was crumbling but is now up-market with the new development there.

The Spa Concert Hall can cater for the conferences and one night stands from top stars and the theatre seating 600 can cater quite adequately for any modern day smaller summer shows. Touring companies only come for 1-2 nights.

Q6 What is your view of the property market at present and how it could affect the redevelopment of the Futurist site?

DR It will probably be another 3-4 years before it gets going in Scarborough. Although I have property in London near Tower Bridge and the price has rocketed – I could sell it overnight. With the 2012 Olympics will come a boom time for Britain. We are seeing it in South Africa now with the World Cup.

There will be some harsh rational decisions to be made by the Government with regard to tax – but the more you earn the more tax you will pay and the more successful you will be.

With regard to the trust – I don't see how it is going to work. With the Winston Churchill and Britain at War Museum – run by a charitable trust and the money earned goes to charity. (Today's Daily Mail has an article on it). Who will operate it? It will need a workforce team. I have a team of approximately 20 people in London. I can't see how you can run the Futurist Theatre on a charitable trust basis. Everyone means well but it needs clearer thought and I would be willing speak to Council Officials and PD on this if needed as I do feel strongly that this is not in the interests of the town's future.

5.17 Question and answer session – Barrie Stead (BS)

Q1 Can you tell us a bit about yourself and your experience in the entertainments business, particularly in Scarborough?

BS It's important to realise the amount of experience in the “mad” theatre business. A lot of it is a gamble and you need expertise to pick out winners based on experience. Gaining it every day – what works and what doesn't.

Q2 Your reputation nationally – how did you establish it?

BS I started as assistant manager at the opera house Manchester. Then I went on to be manager at the New Theatre, Oxford. This was in a bad state and I turned it round and got promoted as a consequence. I booked weekly shows for a group (Liverpool, Leeds, Newcastle, Aberdeen, Glasgow, London, and Oxford). I had the job of booking for all of these. Just then one-night concerts were coming in and I booked Neil Sedaka before anyone else had heard of him. I brought in a lot of people who are still in the business today. You need to have a relationship with the entertainment providers and I am still able to get people to bring acts to Scarborough. Most do well and want to come back. I was assistant Managing Director of a company and had to work out how all these theatres could be preserved. I held negotiations with many local authorities. I've had touring theatres in the country and know how they function. I've worked for The Arts Council of Great Britain and undertaken feasibility studies on several national theatres. I've had a lot of experience, some similar to the Futurist and it's been good.

I was asked by Nottingham City Council to be a director and £6m was spent redeveloping a theatre. I worked with architects and the theatre reopened and it is still very successful. They have since built a concert hall next to the theatre – the Royal Concert Hall, Nottingham. This is one of the premier concert halls in the country.

I joined Apollo Leisure as Executive Director and Producer - they put on 25 pantomimes a year. I still produce tours for my own company. A new tour is starting in October and it will be touring every major venue in the Country. This is the expertise I have been able to bring to the Futurist. Also I have a great, enthusiastic team. When I worked with Apollo, summer shows ran for 8 weeks. Despite the fact that consultants state that you can't do things – you can if you think about it.

The Futurist makes a statement and has created a buzz in the town. I believe it could be a catalyst for the town and it certainly wouldn't need £10m spending on it. You can do wonderful things with imagination.

Q3 What reputation does the Futurist have?

BS When I took over the Futurist 7 years ago I thought 'let me try and do something with it'. This was the start of a one year contract. It had been previously run down to the ground. Its reputation was nil and was in a bad state. Advertising wasn't right and the dressing rooms were in a poor state. I decided to get over this and build it up and I was able to turn this around. Promoters and providers want to come to the Futurist. The Theatre still needs the support (from the Council). We can take money there with one night products but there is no 'get in' and scenery has to come through the front of the building. The scenery bangs against the walls (which have to be continually repainted) and we have to have ramps to get the scenery onto the stage. The wing space is difficult. It would be possible to make wing space on one side of the Theatre with not a lot of money. I am very enthusiastic and passionate about the building. It's very important that Scarborough keeps it.

Q4 You have declined to give the Task Group audience figures at the Futurist. Can you explain the reasons for this? If you are not prepared to be specific about the shows can you give us total ticket sales figures for both the theatre and the cinema over the last year?

BS The figures regarding the numbers of people that come into the building are part of the contract with the entertainment providers. I am unable to release these to you on the grounds of confidentiality by the suppliers of the shows. I have supplied all the figures to Nick Edwards.

In response to a comment that the Task Group needed details of the general split – attendance at cinema and events, BS advised that

You have heard what the consultants said about equivalent theatre subsidies. The Council has given us the £100k subsidy out of which neither I nor my wife has had a penny. We are prepared to put in the effort as long as there is a chance we can turn the Futurist round. It's great to have the OAT in the summer. It's great what you're doing at the Spa. But the Futurist is open 364 days a year (closed only on Christmas day). Its value for money we are offering as much as we can with the facilities available.

Q5 How many times a year are you able to sell out the venue?

BS The Futurist has one of the largest auditoriums in the Country with 2000 seats. If the audience is smaller we can also close off upstairs, and turn off the lights so that the audience experience the feeling that it is full. In the first year when I took it over there were 4 sell outs and there were very good attendances in addition.

Sell out performances

2003	4
2004	7
2005	9
2006	15
2007	20
2008	20
2009	22-23

The 'sell-outs' are for the big names – 'the comedians'. Many shows had audiences of 700 or 800 up to 1,000. I agree with the consultants but many acts have to be booked over one year in advance. We were told on 27 November 2009 that we could operate during 2010. It takes six months to get something. But now we have the busiest summer and autumn season that the Futurist has had for around 12 years – with two ballets – and these cannot be staged at the Spa. I have had to turn down six major acts for 2011. I agree with Don Robinson that the peak season is down to about 4 weeks and it's about finding ways of bringing people in. 4,500 people in two nights in November can't be bad. If Scarborough is going to progress it wants entertainment to prolong the season. So can the Spa with different product.

Q6 What do you see as the constraints of the existing building?

BS Already mentioned.

Q7 Have acts been unable to come to Scarborough because of these constraints?

BS Hasn't put them off. They either do it – compromise – or don't come. We are running the Futurist on 50% operation on things we can do. Can't get the scenery in, wing space is limited, can't book 2 years ahead.

Wing space problems can be solved reasonably easily and cheaply. If you want to see a show of calibre which I'd like to bring in people either have to go to Manchester or Sunderland. It doesn't need £8/9M spending on it.

Q8 How profitable is the Futurist and why do you continue to operate it?

BS It's not profitable because of the way we have to operate it. All the tours were booked before I got the contract. It's embarrassing – when people ask for next year I have to say there could be essential building work being undertaken. We are losing out dramatically. The Spa should now be booking 2-3 years ahead as I'm doing with my own tours– we can't do this at the Futurist. Status Quo hasn't come for two years because of access – but if we put in a simple get in (scissor lift) we could have the most fantastic acts and ballets. The Arts Council should be approached in the right way. We have to have a level of comfort – not guarantees. Everyone comes on trust/risk.

Q9 Under the terms of your agreement with the Council you are responsible for certain running costs such as heating and lighting and limited repairs. How sustainable are these costs?

BS As long as I'm choosing the right shows and as long as you (the Council) are prepared to put money in. Some costs are personally borne by myself. I put in a new cinema screen and frame. I bought a motor which enables equipment to be "flown" to the back of the roof. I've put in new projection equipment and DTS sound. I put in a new sound mixer and new board and replaced all the stage lighting. Painting has been done in the circle, backstage and in the areas around the stalls. I have put in a considerable amount of money and worked with the Council. I hope that someone will see how much it does for the Borough.

Q10 How important is the cinema to the Futurist? If a cinema was provided elsewhere in the town what effect would it have on the Futurist?

BS If the Futurist hadn't had a cinema for the first six months of this year it would have been a disaster because we are not able to book ahead. A cinema is vital. The previous operator had second run films. I also run the Hollywood Plaza and am able to move the big films into the Futurist so cross subsidising the buildings. Next year if the Futurist is not in operation all the films will play at the Hollywood Plaza and I'm looking at pricing up for new seats and going digital there.

All MD's of multiplex cinemas have looked at Scarborough but won't come because of its situation, having the sea on one side; there is not a large enough catchment. Could possibly cope with 3-4 cinema screens.

Q11 What impact is the OAT and refurbished Spa likely to have on your ability to attract the major shows? How far do you see these venues being in direct competition?

BS Seen as complementary. The OAT is looking at the big names where it can fill 6,000 seats. However, if there are acts going to the theatre who could come to the Futurist then it would not be working. The OAT is limited by the weather and Scarborough is only going to progress if people come here to be entertained. They want to go out and do something that only the Futurist can do, and it can certainly help to prolong the season in Scarborough. The Spa is a great building for conferences, concerts, etc. The Spa is also great for exhibition space and catering – but the Futurist could be used to accommodate the speakers at conferences (twin venue).

**Q12 Have you seen Lynne Burton and Robert Cogo-Fawcett's presentation?
And**

**Q13 Do you recognise their description of the theatre marketplace generally?
And in Scarborough?**

BS I know Scarborough. I have a residence in Scarborough and know Scarborough really well. I like to think I know what works and what doesn't.

The theatre is very volatile. At present the market is quiet and a lot of the big tours have been 'pulled'. Now there are vacancies in the big theatres.

Q14 Are there any areas in which you take issue with Lynne and Robert's presentation?

BS I think what they said was fair but I don't think they quite understand what the Scarborough market needs and wants. A lot of what they said made sense but there are also a lot of holes. I know them both well. They know the business from London and the South. They don't know the business from the seaside town point of view and tourism. The theatre is not all opera and ballet and the loss of say six weeks of those tours would mean nothing in the year overall.

Q15 Lynne Burton reported to the Task Group that you were unwilling to co-operate with her report, was there any reason for this?

BS Lynne Burton did phone me and we did talk, it is not "sour grapes". I have had the Futurist for seven years and never been asked what I think. My expertise is what I know and how I make a living. I couldn't have done what I've achieved without your support over the last seven years. I'm very grateful for all the officer support. Don't throw it away so easily.

5.18 Question and answer session – Paul Gregg (PG), Chairman, Apollo Resorts and Leisure

Q1 Can you tell us a bit about yourself and your experience in the entertainments business, particularly in Scarborough?

PG I have great experience of resort entertainments and theatres generally. I did for many years present shows at the Futurist Theatre.

I formed Apollo Leisure over 30 years ago building the company over those years to be the largest Theatre and production company in the UK owning or managing 25 theatre operations, 2 arenas, cinemas and sports facilities. By way of background, most of the situations were re-opened theatres which hadn't done very well. A strong entertainments group has been built up now which puts on concerts at key resorts.

Apollo was fifty per cent shareholder of Barry Clayman Concerts producing seasonal entertainment for six major resorts including Scarborough. We produced Christmas shows and toured major musicals and were the largest concert promoters in the UK presenting Michael Jackson, Neil Diamond, Tom Jones, Shirley Bassey and many others.

The company was sold ten years ago to the World's largest entertainment company currently branded Live Nation.

Q2 Can you expand on your experience of running the Futurist Theatre and why you withdrew?

PG The Futurist was originally built for summer shows. Robert Luff discovered the Black and White Minstrel show and invested in Scarborough. But entertainment has changed and become more sophisticated. Television produces and gets rid of stars very quickly these days. The Futurist building restricts the type of show which can be accommodated.

The Futurist has, for many years, required serious investment not only for its outside appearance but also for its internal public areas, auditorium and the stage facilities.

Sadly, the Futurist cannot accommodate major musicals or productions, the stage get in and the access together with the depth of the stage are not capable of hosting today's modern and highly technical productions.

The programme of this year's attractions, mainly one night stands could be accommodated at the Spa, more so following the council's currently planned investment programme to improve the venue's facilities.

Apollo left the Futurist because even with some subsidy it was losing £25k per year.

Q3 Have you seen Lynne Burton and Robert Cogo-Fawcett's presentation?

PG No but have read the reports.

Q4 Do you recognise their description of the theatre market place generally? And in Scarborough?

PG A lot of what they said was correct, particularly regarding the state of the theatre. The difficulty with the Futurist is that it cannot stage major musicals due to the technology needed today. For the summer season at Blackpool they put on 'Cats' and the show ran for 20 weeks, which indicates that if you have the right attraction in the right facility – there is an audience for it.

But this is not just about the Futurist – everything is a compromise – the back stage facilities are not adequate.

Given the right facilities it is possible that Scarborough has an audience for the new musical productions but without investment in a new theatre facility it is not possible to accommodate shows like Les Mis, The Lion King, Wicked or We will Rock You – all currently huge West End successes.

The simple fact of life is that the Futurist doesn't work for today's major musicals. Even with a £10M investment the shape of the auditorium doesn't work. When Robert Luff converted it – it was successful for what it did for those particular shows.

Q5 Are there any areas in which you take issue with Lynne and Robert from your experience?

PG What is Scarborough's job as a town? It's about attracting people in for holidays where they spend money. There are many great facilities.

All could be accommodated at the Spa. How can you get the best out of the Spa if operations conflict?

Q6 As a businessman working in the sector:

i) What would you see as the challenges of managing the Futurist?

PG I think the Futurist is now sadly a relic of days gone by and even with an investment of 8 or more million pounds will not become fit for purpose for the big musicals. The stage, auditorium, foyers – the whole set up is wrong.

ii) What do you think the Futurist has to offer? How does this compare with other venues in the town?

PG Very little with the lack of major light entertainment stars and talent it will be difficult to operate without a major subsidy each year.

The Futurist cannot offer a lot in its present state – unless £8m is spent on it and I don't think this would "drive" a bigger audience, you can't take the revenue out of the building you want to. It is a compromise. The technical crew find the access very difficult and would rather go elsewhere.

iii) Do you see the Futurist as being in competition with other venues in the town?

PG The only competition is The Spa which also enjoys council funding each year to operate and without the Futurist would attract more attractions hopefully reducing the current trading deficit.

The Futurist cannot offer competition. It can only do what it does in a poor way. Robert Luff invested in the right shows for the right times as it was then.

iv) How would you approach the challenge of running both the Spa and Futurist together?

PG My view is that if the operation of The Spa and the Futurist were to continue then it is logical that one management coordinating marketing, booking of shows and events, ticketing, operational expenses for both venues would be advantageous to the town in many different ways, reducing operating costs, ability to cross market and sell more tickets, saving on overheads.

Scarborough needs a joined up ticketing policy in the town. Need all buildings to be able to sell tickets for all attractions. Nowadays 80% of ticketing is sold on the internet. If it isn't easy to book, people often won't bother.

v) From your knowledge of the theatres market is there a niche market for a new smaller replacement theatre for the Futurist in addition to the Spa and Stephen Joseph Theatre?

PG I think the offer in the town of The Stephen Joseph Theatre; The Spa and Open Air Theatre now bring a mix and balance to the resort attractions. – A

new smaller theatre would need a subsidy again and would then compete with Hull and York theatres for product and an audience.

Scarborough needs to be different; a new 1800 seat theatre with state of the art back stage facilities could attract major musicals. Opera and Ballet would complement the town's offer and bring a new audience to the resort and would in many ways improve the resort's profile, the economic impact on the resort's hotel and business during the out of season months.

If you had the right attraction – people would come even in winter. But would you be able to fill 1800 seats throughout the year? This would need a large capital investment; it would be very difficult to obtain a good return and would be difficult to justify commercially. It may be able to operate with a nominal subsidy each year.

vi) How has the marketplace changed in the time you have been working in Scarborough? What are the issues now?

PG It's technically more advanced and the audience expectation has increased. If the attraction is right people will travel e.g. the Cats production in Blackpool. Manchester has its own population around the city and is able to attract audiences from Liverpool, Yorkshire, Lancashire and the Midlands. Les Miserables ran for 18 months. The production has to be the right one or people won't travel.

The main change is the lack of new talent in traditional resort terms, the audience is more demanding. I believe that there is an audience that will seek out and travel to support new and current West End theatrical attractions during the out of season months. London West End shows wouldn't survive without 36% of the audience coming from outside London.

vii) Does the seasonality of the Scarborough market cause any issues for a theatre operator?

PG There is not a theatre in Hull, Leeds, York, Middlesbrough for a major musical to visit and then each production is a compromise from its original concept.

Given the right event, production, show or concert Scarborough will attract an audience throughout the year. The town can be very busy in January with some good weather.

Scarborough is one of the more fortunate towns. It's a destination that people come to throughout the year. If the sun shines – people come. As far as getting all year round audiences, Scarborough is not an easy place to get to, or get back, by public transport, especially in winter – this can work to its advantage over a resort such as Blackpool which has good transport links.

Q Have you had experience of charitable trusts?

PG The Empire, Liverpool was managed by a trust. Merseyside City Council worked with a trust and raised money through the Arts Council and lottery support. There are advantages to Theatres Trusts.

Disadvantages – depends on the people in the Trust. Needs to have a commercial focus – a practical trust.

Q Did the Trust receive a subsidy from the Council for rent and operational costs?

PG The City Council provided a subsidy of £¾m pounds per year. We took it over without a subsidy and made it work. The Arts Council guaranteed us several weeks of major product, providing indirect support. The Empire had a £11m grant for refurbishment and currently makes £¾m p.a.

Q Are there many theatres that operate under Trusts and receive subsidies from local Councils?

PG Many theatres are managed by Trusts and are subsidised directly or indirectly by Councils, eg Plymouth, Nottingham, Leeds, Bradford, Hull, York. The Councils often grant aid the Trusts. Some theatres should be able to operate on a commercial basis without subsidies.

I enjoy opening theatres. Trusts have opened theatres that have been “dark”. I’ve been very fortunate in proving that it can work.

But looking at the Futurist – you can only throw so much time and money at it – it doesn't work. The physical site it is on – I don't think it can be done. If you could knock back into the cliff and re-configure the stage – but there isn't enough space to do this. The stage is too small and needs new access and a new proscenium arch. In the past we looked at a tiered site and this would have cost £30m years ago.

You would be better off starting somewhere else with a box – there's just not enough space to do a proper job.

5.19 Question and answer session – Graham North (GN), Chair of the Forum for Tourism

5.19.1 GN explained the Forum for Tourism was set up in 1995 by tourism operators to put forward a voice for Scarborough. Anyone in the tourism industry was welcome to come along to meetings and debate issues of the day.

5.19.2 The Forum for Tourism's objective is for Scarborough to become a tourism destination of people's choice.

5.19.3 The Forum for Tourism is part of the Urban Renaissance process and one of the Action Groups.

5.19.4 25-30 people regularly attend meetings and this includes representatives from Scarborough Hospitality Association, Confotel, (also including Whitby and Filey) and North Yorkshire Moors Railway. The Forum is also in contact with people who can't come to meetings,

to keep them informed of what is going on, with over 100 on their email database.

GN's notes relating to the Forum for Tourism meeting 3 June 2010

5.19.5 30 in attendance – Forum case and process explained to those present by GN.

Comments made at the meeting:-

- No response to letters
- All the previous consultants and no further forward (at what cost)
- Why all the priorities on the Spa and not the Futurist.
- Open Air Theatre rather than Futurist

5.19.6 GN explained to those present how funding was obtained and commented that it was not just the cost to the Council but also the economic prosperity of the town.

Commercial viability was explained however, comments concerned why SBC invested in the Spa and not the Futurist?

GN also advised those present that he would report the following to the Task Group at the meeting on 17 June:-

- that the area is Scarborough's prime tourist site for development and this must be reflected in any plans.
- To go to a development tender / proposal - this should be in two parts.
 - (i) a development of the whole site; if the area where the Futurist is now is included then whatever replaces it must have more of a benefit than keeping the Futurist. It may include a "flexible area" that could be a theatre, additional conference facilities or whatever a space like this could be used for
 - (ii) a development of the whole site that includes the Futurist in "some form" as part of the development area
- At least by having the two options it is for the people wanting the site to consider the above options in their proposal.

5.19.7 At the Forum meeting an interested developer, told people present how bad the building actually is.

5.19.8 As part of the proposal as Tourism we would like:-

- (i) whatever happens it MUST NOT become a "bomb site", like the Football Ground just waiting and waiting for development. So any plans must explain how they are going to keep / improve the appearance of the area throughout development.
- (ii) with this (point (i)) in mind, no one wanted the Futurist just shut down and left to rot whilst it can be used it should be used. Why does the lease end, couldn't it be on a twelve month rolling lease until things are starting to happen.

- (iii) for tourism the area should be allocated key space and create new indoor attractions. Indoor attractions that are state of the art, family friendly, youth and key visitor attractive. We do not wish to specify the types of attraction.
- (iv) some of the tourist attractions MUST be first in the development, we will not support something with a "Sands style approach" residential then the rest.
- (v) with (iv) in mind we want the money to be there before development, to ensure that the project can be delivered.
- (vi) there is a lot of concern also that we will lose the Theatre as an indoor venue and that at least this does bring in the visitors out of season and also provides a cinema. If the Theatre closes and nothing is put in its place we lose an out of season indoor venue and a cinema, for visitors and residents alike.

GN made the following additional comments to the Task Group

- 5.19.9 Graham North re-iterated the importance of the site as being in Scarborough's prime tourist area and commented from his notes above. He also re-iterated that whatever happens the site must not become a "bomb" site. Plans for the site should have 2 options – with and without a theatre. Any plans must explain how the site appearance will be improved. No one wanted the Futurist Theatre shut – could the lease be on a rolling lease until something happens?
- 5.19.10 It was a key space for tourism. There was a need to create a new indoor attraction which was family friendly and attractive to young people and visitors. No specific type of attraction was mentioned but people want an indoor venue. An objective was to be an all year round resort where people would come in and out of season. Some attraction(s) must come first – not like the Sands development where residential property came first. The tourism bits should come first and the Forum wants "the money there at the start".
- 5.19.11 There is a fear that the Futurist will be lost and it does bring in visitors. It is indoors and can be used out of season and it also provides a cinema which would also be lost if the theatre closed.

Question and answer session – Graham North (GN)

Q Is the Forum looking for a multi-entertainments venue on the site to include the Futurist?

GN It could include the Futurist. It could be part of a development plan – give options for the area.

Q Have you had any indication of interest from any developers?

GN We could approach developers (people I know) but we haven't done this as yet. It isn't our role to come here with a development but instead we come here as a facilitator.

Q **Did the Forum take on board the wider area?**

GN Yes we made it very clear that this wasn't just about the Futurist Theatre. We looked at what would be of benefit to the whole of the site for Scarborough – this is not just about the Futurist and this was made clear throughout the Forum meeting.

Q **Does this include a multiplex cinema?**

GN Not specific to this site – we didn't want at the time to say what had to go in. It was agreed that Scarborough needs one but the question is where and this isn't for us to say. This is certainly something which the tourism industry wants. Referring to points (iv) and (v) (above) what we would be looking for would be a developer with a proposal and funds to develop the site. Let them come forward with developments they've got on board already. Make sure they come forward with at least parts of it in place from the outset.

Q **Would you envisage a package of partners coming together, especially with the constraints of the local authority, this is likely to be primarily a private sector development?**

GN I don't think that you can develop parts of the site. There has to be a whole plan. Hotels, residents, shops etc can be attracted into the area and it is up to a developer to do this. I know there is private money – e.g. Merlin Entertainments have taken over Blackpool Tower which was a considerable outlay for them.

5.20 Adrian Perry (AP), Scarborough and District Civic Society

5.20.1 AP explained that the Civic Society aims are to:

- promote/stimulate Civic Pride in the beauty, history and character of Scarborough and its surroundings.
- take an active interest in maintaining those features on which the character of the town depends.
- encourage high quality development leading to improved (environment) conditions in which to live and work.
- pursue these ends by any suitable means such as meetings or lectures or by co-operation with other local bodies and organisations.

5.20.2 A copy of AP's presentation on behalf of the Scarborough and District Civic Society is attached as Appendix 2(c).

5.20.3 It meets monthly, has 160 members, organises events (e.g. guided historical walks), and publishes newsletters, quality guidebooks and

information leaflets for visitors. The Society consults with the Council on important projects, hence AP's presence here today.

- 5.20.4 The Society welcomed the setting up of the "Futurist task group" and hoped that the group can find a way forward with this important project even though these are difficult economic times. Many members of the Civic Society have strong feelings about the provision of a "lyric" theatre in Scarborough and at the AGM held on the 9th of March they agreed a position statement which is:
- 5.20.5 "The Civic Society believes that the continuation of a 2000 plus seat indoor sea-front lyric theatre facility is an important part of the enterprise culture of Scarborough, is a natural component of the cultural quarter and an asset for the local economy and for tourism."
- 5.20.6 AP then went on to say: This is a very condensed statement and perhaps some explanation would be in order. Ideally a theatre capable of providing facilities for Lyric performances requires a proscenium arch stage, a fly tower for scenery changes during the performance, raked seating and un-obscured views of the stage from all seats. The Futurist Theatre can provide all these; if it closes 2000 seat plus shows requiring these facilities could not visit Scarborough. Many travelling shows need a large audience otherwise they are not viable.
- 5.20.7 There is continual discussion about the need for Scarborough to have indoor entertainment facilities if we are to continue to attract tourists to the town. I must draw your attention to the fact that this is an indoor entertainment facility which once lost will be very difficult if not impossible to replace. We should try to retain the opportunity to stage full scale Opera, Ballet and Musicals
- 5.20.8 I hope that everyone involved in this discussion has visited the Futurist. I have and I admit that I am swayed by the fact that when you are in the auditorium at the Futurist it's clearly a wonderful entertainment space and this facility should be valued and not simply discarded. If some people believe that it will be good management of the town's properties to leave an empty derelict building on the Foreshore from 2011 they need to justify or explain this plan.
- 5.20.9 Some Council owned properties are not maintained and this building is sadly an example. One lesson that should be learned from this investigation is that the policy of turning our back on a building and allowing it to deteriorate is irresponsible. It almost always costs the public money. Another Council owned property Londesborough Lodge, received this treatment a few years ago when the decision was made to dispose of the property. Now a building which used to belong to the richest man in England cannot find a buyer because it's in such a poor state of repair.
- 5.20.10 We have the building at Children's Corner just south of the Spa Complex; a boarded up wreck of a building which is an example of how

derelict buildings can damage the image of the town. Therefore I must re-state that to leave an empty derelict building on the Foreshore would be a serious mistake. Until secure funding is in place for any development plan the theatre should be allowed to continue and any subsidy required should be viewed as an investment in protecting the image of Scarborough, coupled with the general benefit which the public obtain from their participation in artistic events.

- 5.20.11 In the last few years Scarborough has been successful in gaining inward investment with this success recognised by the award for outstanding enterprise. I am sure that using this proven energy a way forward can be found and the Civic Society is grateful for this opportunity for comment on the issue.
- 5.20.12 The above comments have been agreed by the Civic Society. I would now like to make some personal comments about the previous presentations. Last week we saw Mark Rothery the property expert. I noticed that every option he showed for development of the site had a red subsidy figure for Scarborough. The scheme he preferred to market was the 'free hand' scheme allowing the developer to do almost anything. I can understand his reasoning for this request because it would make his life easier but would this result in the best development for Scarborough? Elements of his proposals like cutting back the cliff to King Street need to be questioned. Is that realistic? We have a member living on the Crescent who was very concerned when cracks appeared in his building and driveway when Woodend had what in comparison was a small cut into the site for the driveway for the Woodend extension. Perhaps the scheme would be rejected when the full implications were analysed so let's make sure we are not sold the idea of a scheme which ends up so watered down that we feel cheated with the final results.
- 5.20.13 Lynne Burton and Robert Cogo-Fawcett, the theatre experts were clearly very knowledgeable but seemed to be talking about smaller, often London, theatres. Mr Fawcett made many references to an 'intimate experience' being impossible at the Futurist. Everyone in Scarborough knows that if you want an 'intimate theatrical experience' in Scarborough you go to the SJT but if you want a 'spectacular experience' you go to the Futurist. The Futurist is a large theatre in a coastal resort and very special. They thought that theatre provision in Scarborough could be satisfied by the Open Air Theatre, the Spa and the SJT. However, they didn't tell us that we would have to go to York or Hull if we wanted to see full scale Opera, Ballet and Musicals. They stated that the 'get in' for the Futurist was a major disadvantage and that the stage was too small. These problems can be resolved since the Mermaid site was acquired. The alternative of the Spa has these same problems and they will not be resolved with the refurbishment and indeed they cannot be resolved due to the location of the building.
- 5.20.14 However, they commented that they thought that Barrie Stead had done a remarkable job at the Futurist.

- 5.20.15 At the meeting on Tuesday, PD, from the alternative task group proposed a Futurist Theatre Trust. In Scarborough we have examples of Trusts: Our Museums Trust and Art Gallery, Woodend Creative Workspace and the SJT.
- 5.20.16 These Trusts have the possibility to attract outside funding and have proven to be a successful way of breathing new life into artistic and cultural activities. The idea deserves further consideration.
- 5.20.17 Nick Edwards our Head of Finance urged caution and any solution needed to be financially sustainable. I have worked with quite a few Finance Directors and they have always urged caution. They are the first to be delighted when any investment pays off and you start to reap the benefits of your investment.
- 5.20.18 Cllr Pat Marsburg has emphasised that she will be looking at the facts and figures but let's make certain that we take into consideration the primary and secondary spend of visitors attracted to Scarborough by the Futurist. In addition the loss to the towns economy if residents and visitors go to York or Hull for their entertainment.
- 5.20.19 Barrie Stead the current operator of the Futurist demonstrated his knowledge about the theatre business in general and his clear personal commitment to the Futurist. Its people that make things happen.
- Why has Scarborough got a world class drama theatre?
Alan Ayckbourn.
 - Why has Scarborough still got a successful summer show?
Tony Peers. (The theatre experts told us that this kind of show was dead).
- 5.20.20 The people are the drivers in successful businesses and they need to be valued. I think Barrie Stead is such a person. He told us that the Futurist has been sold out on 23 nights during 2009. This means 46,000 people just in 23 nights. This has to be valuable to our tourism business. I attend many Renaissance meetings and we often talk about ways to extend the season, how to make Scarborough an all year round resort. The answer is staring us in the face. A successful entertainment offer in Scarborough will almost certainly guarantee visitors to the town. If we continually close down facilities people will drift away. It won't happen overnight it will be a gentle decline.
- 5.20.21 Finally, I would like to make the following observations.
- I have followed the Futurist discussions over the last few years and up to now the Council has always had one hand tied behind their back because they didn't own the Mermaid site.
 - To my knowledge they have tried to get funding to restore the theatre without success. Scarborough Council was nearly successful in a bid to the Living Landmark fund which failed at the last round. That would have avoided this discussion here today.

However, we are where we are and at least the site is now consolidated and we can plan a way forward.

- It will not be an easy decision and I don't envy you your part in this decision.
- PD finished with an analogy for the Futurist. I'd like to do the same for Scarborough.
- If you look at a little place like Hay on Wye I am sure that some years ago people questioned having another book shop in the place on the grounds that they already had plenty of bookshops. Now people travel from everywhere to visit Hay which has an international following and attracts a huge amount of tourists.
- Scarborough is a great brand name and we need to give our visitors a quality experience which includes a great choice of entertainment. Let's plan for success and retain this all weather, indoor entertainment space.

Question and answer session – Adrian Perry (AP)

Q You have given us comments on the various presentations. Now you have heard NE and the level of subsidy required for the Futurist. Does this colour your thinking at all?

AP I don't know. They quoted a £400k subsidy. But why not renew the current contract with Barrie Stead, with £100k subsidy, until a solution is found.

Q A very heavy subsidy would be required for any of the development options with and without a theatre reviewed/considered by Mark Rothery. An investment of several million pounds would be required in the building if it was retained. How would you equate this subsidy with a modest Council like Scarborough?

AP I understand but haven't the solution – you have experts in Council Officers who could evaluate. I don't understand why in December we will be faced with a situation where the Futurist will close. Why haven't we negotiated with BS a further year with a subsidy of £100k? We are sleep walking towards a disaster – an empty building in a tourist area. Graham North said that this was a premium site. We need a short term solution – what we do in the future is a different question.

Q The Futurist is a 2000-seater plus theatre and the Civic Society believe that if it closes, 2000 seat plus shows can't visit Scarborough. We have been led to believe the larger shows cannot visit Scarborough (anyway). The Futurist had 22-23 full houses (nights) last year – but there are 52 weeks in the year. We need facts and figures to come to a conclusion – how would 22/23 (full house) nights make the theatre viable without increasing the subsidy – it increased by £40K last year? Will the subsidy have to increase?

AP Can't help. But if Barrie Stead can get 46,000 people to come to Scarborough it deserves our attention. I have no idea of the relationship between the Council and BS. (Could he be persuaded to give more information?) Because the Futurist is attracting people to Scarborough. It needs really considering – the primary and secondary spend on shows and restaurants etc.

5.21 Question and answer session Stephen Wood (SW), Executive Director, Stephen Joseph Theatre

Q1 Can you tell us a bit about yourself and your experience in the entertainments business, particularly in Scarborough?

SW I have 40 years experience in the entertainment business. I was in Scarborough between 1976 and 1982 and then went to National Theatre for 14 years. I returned to Scarborough in 1996 during the initial stages of the conversion of the Odeon cinema to the Stephen Joseph Theatre. So I am speaking as one in the business (this is not a statement from the SJ Theatre Trust).

I feel that there is a lot of confusion regarding what we are talking about– we are not talking about the Spa being a direct replacement for the Futurist. Also there is a lot of misunderstanding of what is likely to be programmed at the Futurist Theatre or Spa. Back in 1976 we had a glorious summer and there were a lot of 'big names' in Scarborough – Jimmy Tarbuck at the Floral Hall, Ken Dodd, Frankie Desmond, etc. The whole theatre business and pattern of visiting has changed drastically now. The general public expectations and available productions have changed dramatically. The sort of shows which existed then could not be squeezed in now in their new formats. I agree with the majority of what Paul Gregg said. What you could book into the Futurist then is no longer possible due to increased technical requirements and the fact that expectations of the audience have changed.

I, for one, do not want to see yet another theatre knocked down but if we cannot find product to fill the theatre then that's the dilemma we may have to face.

If we think we can put even mid scale opera/ballet/dance companies into the Spa then it is not going to happen. As long as everyone is aware of what will go into the Spa Grand Hall if there is no Futurist Theatre – a big problem.

A 2000 seater anywhere in this country is very difficult to programme now. Our shows convert to 600-800 seat theatres and when you talk to managers of 600-800 seaters – they would not contemplate larger 2000 seat theatres.

What product is readily available for 8 shows a week for 52 weeks of the year? Sadly there is not a great deal of these around today. Theatre managers/owners would expect a guarantee or worse, a “split” (to be sure of income). And where would you find 16,000 people each week in our area? What about competition from neighbouring towns/cities.

Scarborough is at its best in the sunshine. But what happens in October to January, February, and March? Where do the audiences come from? Most of the SJT's visitors mainly travel within half an hour travelling distance although some people do commute long distances e.g. from Leeds. The Open Air Theatre is different – people will travel long distances to see the right product. Will people come night after night every week to a 2000 seat theatre? The SJT has recognised this and goes on tour during the winter months.

It's sad; my heart says I don't want to see another theatre closed.

Summer events don't happen now – artists won't do long summer shows. Some shows could play at the Spa e.g. Ken Dodd but three pieces of programming – ballet/dance, musicals/opera and plays can't play there. You may not want to programme these – as long as everyone is clear about this.

There are still going to be restrictions to get equipment in and out at the Spa – need for clearing the seating. It has the same issues as at the Futurist. And some of these issues cannot be resolved. To convert the Futurist would be a lot of money and then would there be an audience?

Q2 Have you seen Lynne Burton and Robert Cogo-Fawcett's presentation?

SW Yes.

Q3 Do you recognise their description of the theatre market place generally? And in Scarborough?

SW I think it paints a very fair picture. This comes with a heavy heart. My head tells me we can't save the place. Unless there is the good product – it eats a lot of money. 23 sold out performances with 46,000 people. Most visiting shows do 8 shows per week – this is just the tip of the iceberg, what about the rest of the year?

Q4 Are there any areas in which you take issue with Lynne and Robert from your experience?

SW No, it's a well argued case but I have no joy in saying so. If I could draw on 40 year's experience to deliver work on a more regular basis that could pay for itself I would say something different. It's a fantastic site but there are real issues. Even with the refurbishment works at the Spa Grand Hall on a wet November night you've got to have something good on to attract the audience.

Q5 As someone working locally in the sector:

(i) What would you see as the challenges of managing the Futurist?

SW The commercial world is not my world. I'm involved in contract negotiations. Most companies go out in 2 or 3 ways: straight box office split, guarantee or part split part guarantee. If there are 2000 seats the sums will have to be done. In my judgement there is not the audience in a town of 50,000 people. This is a small base and you can't rely on a base audience so you've got to put

something on for which people will drive from Malton, York and beyond. The offer has to be fantastic, night after night, September through to Easter is the hard time – this is when the SJT goes out on tour to go to where the audience is and this helps to sustain Scarborough. If the SJT can't get 400 people in night after night then 2000 doesn't stand a chance.

(ii) What do you think the Futurist has to offer? How does this compare with other venues in the town?

SW It all depends on what's on there. I don't think it works as a cinema – people's expectations (are higher) and it hasn't got the kit. Then you're into the multiplex debate – would have converted the Odeon. Go back 10 years – why wasn't it built? The Futurist is brilliant for one man shows, eg Billy Connolly. When you start scaling up you get into technical compromises and problems with audience expectation in an auditorium of that size. The Palace in Manchester (seats 2,000) can't stage big musicals such as Les Miserables – they can't get in there. There is a whole load of product the Futurist can't take which the audience would expect to take place there. Equipment now comes in through the floor and from the sides which means there are a lot of productions which can't go in.

(iii) Do you see the Futurist as being in competition with other venues in the town?

SW Yes – can take things other venues take. But I would imagine Billy Connolly's fee for two nights cannot be covered by capital spend and audience at the Spa, but I stand to be corrected. There may be others.

(iv) How would you approach the challenge of running both the Spa and Futurist together?

SW Not a clash of programme as has gone on occasionally in the past. The Spa Grand Hall has the most product interchangeable with the Futurist, but the reverse is not the case. Say we as a town want a month's worth of mid-scale ballet and opera; this can only take place at the Futurist. But most are not prepared to take their artists there. Unless this is addressed the Spa can't compete (for Opera and ballet).

(v) From your knowledge of the theatres market is there a niche market for a new smaller replacement theatre for the Futurist in addition to the Spa and Stephen Joseph Theatre?

SW I'm unclear as to the size of a new theatre but a lot of stuff still won't work in a say a 1200 seater venue. The Opera House was a hideous mistake and could have taken the small scale productions we take out on the road and as well as smaller scale musicals. Bath Theatre Royal, Malvern, Oxford, Cambridge and Windsor take 750-900 seats but beyond 1000 seats there are issues of staging and the size of the production and what people expect to see.

(vi) How has the marketplace changed in the time you have been working in Scarborough? What are the issues now?

SW I stand to be corrected but sense that long stay bed nights are going down. Single/double night stays are going up. The issue is how you extend the single or two nighters to three nights and keep day visitors here? How do you keep people here longer at Easter? Get people back on public transport – need connections later at night.

(vii) Does the seasonality of the Scarborough market cause any issues for a theatre operator?

SW I don't believe we can sustain an audience when the schools go back after Christmas. Our "dark" time is January to March - that's when the SJT goes out on tour. The audiences are just not here to justify a major entertainment event in mid-February and the same issues apply to the Futurist. People are not staying long enough to justify a big show in February. Please think long and hard before pulling another theatre down.

5.22 Question and answer session – Nick Thomas (NT), Chairman of Qdos Entertainments PLC (written submission)

Q1 Can you tell us a bit about yourself and your experience in the entertainments business, particularly in Scarborough?

NT My family moved to Scarborough from Bournemouth in 1967 when I was 8 and I have lived there ever since. I saw my first summer season theatre show at The Futurist that year which was 'The Bachelors, Freddie 'Parrot Face' Davies and The Kaye Sisters. Seeing that show drove my ambition for a career in show-business, which I embarked upon at the age of 12, making my own puppets and charging fees to appear at children's parties. In February 1975 when I was 15, with my act, 'The Tommer Puppets' I won the television show 'New Faces', the 'Britain's Got Talent' of its era. I left school before taking my 'O' Levels to embark on a professional career, which took me all over the world in theatre, cabarets, cruise ships and television.

I gave up performing in 1981 and started Nick Thomas Enterprises, (NTE), to promote shows starring Keith Harris & Orville, because I saw his potential as a box office attraction. I presented my first Scarborough summer show at The Royal Opera House in 1982, starring Keith. In 1983 Keith topped the charts with 'Orville's Song', and he remains a popular attraction in our shows to this day. The success of the Royal Opera House show of 1982 led to NTE producing summer shows not only in Scarborough for many years to come, but at Sandown IOW, Great Yarmouth, Torquay, Skegness, Bournemouth, Weymouth, Llandudno, Jersey, all the Butlins Centres. We produced summer seasons in Blackpool for 20 years from 1985 until 2005. Our shows at The Grand Theatre and The South Pier Theatre ran for 16 weeks, usually twice nightly, and we also produced concerts and part seasons at The Opera House, and The North Pier Theatre during this period. I took the decision to cease summer season productions in 2005. Public tastes, the lack of 'performance talent' developing through TV, and the visitor demographic &

leisure habits had changed so dramatically, the era of 16 weeks 'twice nightly' was over.

Fortunately, as the summer shows declined, pantomime became more popular, and today it is the financial cornerstone of all regional theatres. Qdos Entertainment, (the company was re-named in 1998), is the world's largest producer of pantomimes, with 25 annual productions annually which gross £20,000,000, representing 30% of the company's turnover today. Through its subsidiary HQ Theatres, Qdos' operates 8 regional theatres, at Southend, Westcliff, Dartford, High Wycombe, Hayes, Hastings and Watford. HQ Hospitality is the company's specialist 'in house' operator of restaurants, banqueting rooms, bars and coffee shops in these venues. That company also operates Scarborough's SJT Theatre restaurant & Bars, The Copper Horse restaurant in Seamer and The Tanglewood restaurant in York. Qdos owns three talent agencies based in London, representing an eclectic mix of star celebrities from The Chuckle Brothers to Paul Merton. Qdos owns TED Group, the Luton based supplier of entertainment, staff, audio visual installations and leisure services to holiday parks throughout the UK and across Europe. Qdos also supplies full scale theatrical productions to US based Celebrity Cruises on four of its vessels. Qdos has its accounts department and corporate Headquarters in Scarborough and it has offices in London. The company has 750 full time employees at 11 sites.

Q2 Have you seen Lynne Burton and Robert Cogo-Fawcett's presentation?

NT Yes

Q3 Do you recognise their description of the theatre market place generally? And in Scarborough?

NT Yes. I have know Robert for many years, and he has extensive knowledge and a 'hands on' experience of the industry

Q4 Are there any areas in which you take issue with Lynne and Robert from your experience?

NT No, it is an accurate narrative.

Q5 As a businessman working in the sector:

i) What would you personally see as the challenges of managing the Futurist?

NT The Futurist has limited commercial potential as a theatre in Scarborough today for these reasons;

- Physical restrictions of the building
- The lack of capital investment over the past 25 years resulting in its poor condition

- An over large capacity, given the limitations of shows it can stage.
- Significant competitor venues within two hours' drive – so difficult to programme.
- Insufficient annual subsidy to fund programming or marketing

ii) Have you visited the Futurist?

NT I have produced shows there for 25 years and I have been visiting to see shows for 42 years.

iii) What do you think the Futurist has to offer? How does this compare with other venues in the town?

NT It the 1970's under the ownership of Robert Luff Holdings, it was known as 'The Showplace of the North', when it produced lavish summer season shows, but the theatre is sadly a 'white elephant' today for all the reasons highlighted in Robert Cogo-Fawcett's report.

iv) How would you approach the challenge of running both the Spa and Futurist together?

NT It would not be viable to operate both venues effectively.

v) From your knowledge of the theatres market is there a niche market for a new smaller replacement theatre for the Futurist in addition to the Spa and Stephen Joseph Theatre?

NT No; because it would almost certainly be impossible to entice 'number one' or even 'number two' touring musicals to Scarborough from 'the circuit', and there would be very little local demand for small musical or dance shows. Drama is already provided by The SJT. The local audience's appetite is driven by celebrity performers and known 'big title' shows. Drama & dance is not especially popular in city theatres like Bradford Alhambra or Hull New Theatre let alone Scarborough. There is some proven interest locally in the popular touring musical titles like 'Joseph', but so few will fit into The Futurist. Even with a replacement venue, these shows all play Hull, Darlington, Leeds, Bradford, Newcastle and Sunderland, so with its small population and catchment, Scarborough would not be favoured by producers as an alternative.

vi) How has the marketplace changed in the time you have been working in Scarborough? What are the issues now?

NT It has changed beyond all recognition. Scarborough's entertainment offer was traditionally driven by its summer season from around 1895 when Pierots entertained visitors on the South Beach.

In my life time, television was always the driver of seaside entertainment in Scarborough, starting with The Black & White Minstrels who first appeared live at The Futurist in 1968, as a 'spin off' from the successful BBC television series.

Over the past 25 years, television has gradually stopped creating 'performers' who would be willing or able to play summer season shows in seaside theatres.

The time when we created 'stars' from a few TV appearances who would appeal to children, parents & grandparents has gone. Our 'stars' of two decades ago were Cannon & Ball, Bobby Davro, The Grumbleweeds and their ilk. There have been no replacements. When we had three terrestrial TV channels and Morecambe & Wise were watched by 27 million viewers. Now, a reality TV show with 9m viewers is hailed a big success.

The most nationally renowned theatrical offer in Scarborough today, is the Stephen Joseph Theatre. Interestingly, the attendance increases markedly during the summer season, and a lot of those people are visiting Scarborough specifically to come to the SJT. It is difficult to get seats for weekends during the peak summer period.

The more traditional summer season offer in Scarborough struggles to support a formulaic and predictable programme of light entertainment spread across two competing venues within a few hundred yards.

The quality of Scarborough's summer season programme, it's year round cultural offer, depends on (a) whether the Authority perceives live entertainment as a visitor attraction that benefits the wider economy of Scarborough, and if so, (b) the level of annual subsidy the Authority is able to provide to achieve its goals.

vii) Does the seasonality of the Scarborough market cause any issues for your business?

NT Not particularly, as our local restaurant businesses have year round support from locals.

5.23 Second Consultants meeting 8 July 2010

5.23.1 As before, the meeting was published by a press release and posters displayed to inform as many people as possible. Whilst it was not within the remit of the Task Group to come up with a development for the site, we felt that it would be useful to see some ideas or visions for the site both with and without a theatre. We needed first to understand the context of how any development could take place within planning regulations.

5.23.2 A Planning Brief had already been commissioned and we heard from three speakers: Hugh Smith, Major Projects Officer, Planning and Regeneration, Scarborough Borough Council; Hannah Smeed,

Principal Planner, White Young Green and Simon Gedye, Architect from Studio Gedye Ltd. Hugh Smith and Hannah Smeed were working together on the Planning Brief and had liaised closely with Simon Gedye to ensure that everyone was going in the same direction with regard to potential uses.

5.24 Hugh Smith, Major Projects Officer, Regeneration and Planning, Scarborough Borough Council

5.24.1 Hugh Smith gave a presentation and set out the context and purpose of the Planning Brief, why it was needed and what it would and wouldn't do. The presentation given by Hugh is attached as Appendix 1(g).

5.25 Hannah Smeed (HS), Principal Planner, White, Young Green (WYG)

5.25.1 Hannah Smeed of White, Young Green (WYG) gave a presentation and further expanded on WYG's role in the preparation of the Planning Brief. She reported on the key guidelines, an initial assessment of the planning brief area, set out the outline of work, expected outcomes and also the next steps. A copy of Hannah's presentation is attached as Appendix 1(h).

Question and answer session – Hannah Smeed (HS)

Q1 What would you envisage as being the key elements of any planning brief for this site?

HS The planning brief will be looking at setting a framework so the developer can pick up the document and see the key elements, eg height of buildings, car parking, etc. The brief will be set up within the conservation area.

Q2 How far does the preparation of a planning brief signal the Council's preference for the redevelopment of the Futurist?

HS The planning brief is about informing the identity and what opportunities there are with and without the Futurist in place. Also the pros and cons in planning terms – what these are. Once the draft brief is prepared with more options in, it can be expressed in more detail. The process will be explained.

Q3 If the Futurist is listed what would be the implications in terms of the Planning Brief?

HS The Futurist is in a conservation area with a number of listed buildings. English Heritage may choose to list the Futurist and, if so, there will be local and national planning policy tests that the local authority would have to deal with reflective of its listed status, should a developer come forward. Any development would reflect listing. There would be key assets which need to be tested by English Heritage in the planning application process.

Q4 How will the consultation and recommendations of the Task Group affect the subsequent preparation of the Planning Brief?

HS Following the public meetings in June all the questions and comments have been forwarded to WYG. This is feeding into the public consultation and will all go to inform the planning brief. The Task Group's recommendations will be put forward to Committee and Cabinet and then Council makes its decision. Following this there will be a full presentation to the Planning Committee and the planning brief amended accordingly before it goes out for formal public consultation. The Plan will be continually updated. Members of the public will have the opportunity to input during the 6-week consultation period – the document will also be available on the Council's website. The brief will then be reviewed and refined before being finally presented.

Q5 The site has been identified as being highly sensitive and of great importance to the town. How would planners seek to secure a well designed proposal? How would local residents and businesses be involved in this process?

HS Key guidelines in the brief will ensure that any developer will be required to submit a design statement – this explains how the developer got from a piece of land to a development. Local residents and businesses will be involved in a separate consultation as recommended by national guidance (a process with a different format), as usually happens during the submission of a planning application.

Q6 Have you seen Simon Gedye's visions for the site and do they reflect planning policies and potential uses?

HS WYG has had discussion with SG and has been liaising closely with SG and SBC Planning Officers to ensure we are all going in the same direction with regard to potential uses. The Council is open to a range of uses which is also what Mark Rothery suggested. We are very much compliant with regard to planning policies.

Q7 The planning brief would address a much larger area than the Futurist itself. Could finding a solution for these other areas delay any proposals which may come forward for the Futurist?

HS The planning brief can be utilised whether a developer comes forward for a small part or a large part of the site. We will set a flexible framework to test any developments, large or small to be sure that the vision is crystal clear and the proposals are of quality. By the time we have the planning brief we will have a firm understanding of what the Council is looking for and the wide range of uses it would like to see.

Q8 Will the planning brief set out a wide range of uses for the site?

HS Yes, planning policies allow for a wide range of uses – leisure, retail, housing etc and this will mean that developers will have a wide range of possible

schemes with which I see no difficulty. This will give the Council potential to work with the developer(s) to ensure it gets what it wants.

Q9 How would you improve connectivity in the Street Scene particularly between the site and St. Nicholas Street.?

HS the topography is very steep and is difficult for those with mobility issues. Simon Gedye is looking at improving connectivity horizontally and perhaps the middle part of the site could be opened up. This will be further explained by SG in his presentation.

Q10. What can a developer afford to put on the site – how flexible is it likely to be?

HS It won't look at commercial "ins and outs". There will be enough flexibility in the brief so the developer shouldn't be stalled even in the current economic climate. It will invite a whole host of opportunities to develop quality and public realm uses. Quality is important and connectivity is key. Any developer will be tested through the brief – but there will be flexibility to ensure the whole site can be developed.

5.26 Simon Gedye (SG), Studio Gedye Ltd

5.26.1 Simon Gedye gave a presentation, explaining that he had worked in the region for 20 years and he was responsible for the design of Woodend, Scarborough, a listed building. Simon advised that he had listened to Consultants who spoke at the public session on 9 June 2010 and was aware of the issues discussed at the local stakeholder meetings on 15 and 17 June 2010. These sessions had been very useful to help him produce visionary ideas for the site both with and without a theatre. Copies of Simon's report and presentation are attached as Appendices 1(e) and 1(f).

5.26.2 Simon's brief was to produce a concept and vision for the whole Futurist site including the Theatre, King Street Car Park and associated land and give Councillors and public a clear idea of how the site could be transformed. It is intended to show how the opportunity of a redevelopment could:-

- make new links for pedestrians between the sea front and the retail areas
- create spaces that could add value financially
- Improve the public realm.

The concept and vision is purely for information only and it is not intended to be seen as an approved development for the site. Any development would be subject to Planning approval and Listed Building consent

5.26.3 A ground plan slide was shown to demonstrate the relationships of buildings to the ground around them. The plan demonstrated the fine

“grain” – there was very little space between the buildings. The area was one of high density and the proposals and visions took note of this.

- 5.26.4 Archive photographs were displayed including one of the former Palladium picture house, a further one showing the cladding being put on at the Futurist Theatre. Simon advised that damage to the façade (glazed tile) would have been caused when the cladding was put on and any work to the façade would be intricate and involved. Tiles could be manufactured and the façade repaired.
- 5.26.5 Previous “visions” were displayed and Simon commented that he had picked up aspirations from the previous visions for a good public space. The site was a fantastic opportunity in terms of characteristics. It had panoramic views and lots of potential. One issue raised in discussions was the “wow” factor with iconic buildings and structures and there was a real opportunity here.
- 5.26.6 Simon showed photographs of various buildings in Scarborough. Many buildings had large 3 storey bay windows as all were vying for sea views. Simon re-iterated that his visions were about the “art of the possible” and weren’t about narrowing down choices.
- 5.26.7 Simon commented that in townscape terms both visions demonstrate that:
- the building volumes are layered and terraced up the hill and work with the existing townscape
 - there is potential for an iconic structure (retained or new) without blighting the foreshore
 - a new street can link Bland's Cliff to St Nicholas Gardens
 - King Street can be re-established along its full length to link Markets to the foreshore
 - new vistas of the town from the foreshore can be opened up (redevelopment option)
- 5.26.8 The vision also sought to:
- maximise the developable footprint with a high density development that relates well to the existing town space.
 - maximise high value frontages with footfall with retail units.
 - bring a rich mix of uses and activity to the area.
 - break up the site area into parcels of residential and commercial development.

Question and answer session – Simon Gedye (SG)

Q1 What factors have you taken into account in developing your visions for the site?

SG One of the main factors is urban design – the linking and understanding of the bit of Scarborough we are developing. My visioning work is a relatively

short process – but the planning brief will go into a lot more detail. If the Futurist Theatre is retained – I have looked at how this will affect development. It's an opportunity for an iconic building whether this be the restored Futurist or something completely new. The redevelopment option would give a lot more scope to give a 21st Century iconic building, perhaps similar in impact to the Grand Hotel.

Q2 Are there any factors which could potentially constrain development options?

SG The Futurist building itself. Looking at it in the developer's shoes this would be a major constraint as it is the most valuable part of the site. Any developer would want a clear run. The planning brief won't be a constraint – it will point out the opportunities and demand high quality design, particularly on such an important site, and give a clear way forward. Developers are increasingly aware that they need to produce high quality buildings.

Q3 Please let us have your opinion on the cost implications of the different options suggested by you.

SG One of the biggest costs would likely to be for any excavation and foundations. My visions follow the existing contours of the site thus avoiding major engineering works which would have high cost implications. The restoration of the Futurist Theatre façade would have a costly implication in terms of repair. The hillside would give restricted access for construction which would make it more difficult and therefore more costly than a level site – this would apply to both schemes.

Q4 It has been previously stated that the existing building could be adapted to provide easy 'get in' for scenery. What is your opinion on this?

SG It's very difficult for me to comment. But I wouldn't rule it out and modification may be possible. There is potential for a 'get-in' route through the current bar area. I can't comment on viability in cost terms.

Q5 What uses could be incorporated in the ground floor of the scheme showing redevelopment of the Futurist site?

SG It is important to get active frontage rather than blank façades It's important to get access at each level giving multi-levels of ground floor. The Futurist Theatre currently has a shop frontage. The vision shows further frontages with a terrace – perhaps to take in the breeze, enjoy the view etc.

Q6 The three proposals you have shown can be used for a wide range of options can you highlight the flexibility of the schemes?

SG I was charged with showing you “the art of the possible” – envisioning uses – not fixing uses. Mark Rothery stated there is little demand for office space but space could be developed as an extension of the Creative Industries Centre (Woodend) – depending on demand. Retail is another option.

Parking space is not a good use. The “black box” space offers all sorts of potential for e.g. multiplex cinema, casino, theatre, ie space without natural light with a flexible range of uses. There is also flexibility in the residential accommodation, depending on demand – developers might look more at town houses rather than apartments.

Q7 Is there scope for other architectural solutions than the ones shown?

SG Absolutely, I have just shown one vision. Ask five different designers and you will get five different results. The developer may employ different designers for different parts of the site which will add to the variety and richness. A design competition is a possibility. The council should make sure that the site is not designed by one designer – this would give a much richer overall development and fit better with the townscape.

Q8 Would redevelopment be likely to result in cutting back of the steep slopes to the rear of the Futurist?

SG A measured survey will be done by WYG – but in general terms, I have followed the terracing (lay of the land) as closely as possible to make sure any development was feasible – there may be some cut and fill to retaining walls. WYG could give advice on this.

HS added – as part of any planning application to cut back into the cliff face, there would be a requirement for full geotechnical surveys to check that stability would not be an issue.

Q9 How do the suggested proposals take into account neighbouring property?

SG I have responded to the site with a vision. It is not a detailed consideration of the neighbouring properties. Prospect Place residents have been mentioned. The Planning Brief will cover this aspect in detail.

Simon’s proposals demonstrated the potential for a mix of uses and he confirmed that there was scope for other architectural solutions than the ones shown.

5.27 Consultation

- 5.27.1 An eight week consultation with the general public began on Monday 12 July 2010 and ran until 6 September 2010. A press release had been issued giving details of the second consultants’ public meeting, the public consultation exercise which included the informal “drop-in” session on Monday 19 July 2010 and the website consultation. It also gave details of where to obtain forms for those who did not wish to participate on-line so that as many people as possible could be encouraged to take part in the consultation. Forms were available in Customer First Centres, Civic Reception, TIC’s, Sports Centres plus the Evron Centre and Whitby Leisure Centre. The Library was also asked to make forms available.

- 5.27.2 The consultation was undertaken by the Council's Policy and Performance team and members of the Council's residents' and business panel were asked to take part.

Informal "drop-in" session – 19 July 2010

- 5.27.3 We held an informal "drop-in" session for members of the public to meet with Task Group members on Monday 19 July 2010 between 9.30am and 7pm. A total of 60 people attended, some of whom spoke at length with Task Group members. Attendees were encouraged to complete the consultation document. Many opinions and views were given verbally to Task Group members and some in writing.
- 5.27.4 We considered that the informal style of the "drop-in" session worked well as attendees were able to speak informally to Task Group members in a relaxed atmosphere and were able to make their views known without the pressure of speaking in public. Indeed at least one attendee commented that he would not have attended had he been expected to speak in public. This was a useful exercise in public consultation and we considered that it was well received by those attending.

Results of the consultation

- 5.27.5 A total of 447 responses were received. The results of the consultation showed that:
- Option 1 – refurbishment of the existing Futurist and Mermaid building was the most supported option for the site with 54.6% of all responses in favour. Support for this option falls to 47% when respondents are asked if this option should include a Council subsidy.
 - Option 6 – expand existing Futurist site was the second most supported option with 45.9% of all responses in favour.
 - Option 2 – refurbishment and redevelopment of the theatre and Mermaid building was the third most supported option with 45% of all responses in favour.
 - Option 7 – theatres trust – was the fourth most supported option with 41.8% in favour
 - All other options received support of less than 20%
 - The summary results of the consultation have been published on the Council's website and are attached as Appendix 3(b).

5.28 Futurist Site Customer Profiling Report 2010

- 5.28.1 The Task Group asked Officers in the Council's Policy and Performance Unit to compile a Customer Profiling Report which applied the techniques of customer profiling to look at market potential and preferred options for the Futurist site by residents of the Borough. The report which is attached as Appendix 3 (c) is split into 4 main sections:-

- Market potential in Scarborough
 - Market Demand Comparisons
 - Estimating Market Demand
 - The Futurist Theatre and Site Consultation Results.
- 5.28.2 The report provided some updates to the report prepared by Lynne Burton and Robert Cogo-Fawcett (which included a review of the ABL report of 2004) and used Mosaic Public Sector Profiling data provided by Experian to compare market potential figures for theatre in other local authority areas.
- 5.28.3 The Data in the Customer Profiling Table in the report was provided by Experian from the Target Group Index (TGI), a national lifestyle survey of a large sample of the population; the survey results were applied to all areas in the UK. The results showed that 58.9% of the population ever go to the theatre and this varied by the 15 Mosaic public sector profiling groups as defined by Experian.
- 5.28.4 The report showed that households in Mosaic group C-H have a higher propensity to attend the Theatre. The analysis showed that within Scarborough Borough, these groups are underrepresented. In England the average is 43% of all households compared to 18% in Scarborough Borough. By way of comparison Harrogate has 51% of households in Mosaic groups C-H, Brighton and Hove 67%, Eastbourne 32%, Bournemouth 53%, Blackpool 21%, York 54%.
- 5.28.5 The Customer Profiling graph in the report showed that the Borough has a much higher than average proportions of people in Mosaic Groups A, B and L – residents of isolated rural communities; residents of small and mid-sized towns with strong local roots and active elderly people living in pleasant retirement locations.
- 5.28.6 Tables in the report provided an estimated market demand from the resident population based on the TGI data provided by Experian and the profile groups within the Borough. The tables showed that pop/rock concerts is likely to be of the highest demand based on the local resident population. Likely demand for cinema could total between 19 and 26 thousand visits each month. When looking at market demand, the report also highlights that Scarborough Borough has a low resident population and a low population density when compared with some of the other locations.
- 5.28.7 The report also looked at how the residents of the Borough responded to the consultation undertaken and whether the responses are representative of local residents in the Borough. The results showed that the consultation was fairly representative of the Borough's population and results did not vary significantly when the profiling was applied to the whole of the Borough. The most significant change was a slight reduction for Option 1: refurbishment of the Futurist Theatre

which dropped from 54.6% to 50.2% or from 47% to 44.3% when an on-going running subsidy is considered.

5.29 Scarborough Forty Club Meeting, Central Library, Scarborough Saturday 11 September 2010

- 5.29.1 The Chairman, Councillor Jeffels attended a recent debate by the Forty Club entitled "No Futurist?" About 50 people attended the meeting and the following motion was put: "There is no future for the Futurist Theatre".
- 5.29.2 The secretary, Ray Clark, proposing the motion, asked: "Can we go on operating the Futurist when audience figures have been down to single figures." He said Scarborough ratepayers should not be expected to pay for the running of the theatre. The cost of removing the asbestos roof "beggared belief" he said.
- 5.29.3 Mr Clark added: "Rejuvenate the whole site and give the citizens something they can be proud of - something they actually want." He summed up his case with the phrase: "Employ creative thinking."
- 5.29.4 Opposing the motion Patricia David, believed there was "every reason for optimism" and added that "lateral thinking" was needed. Her group had been supported "by nationally recognised advisors". There could she believed be "a win-win solution". "This is an exercise in changing hearts and minds." The Futurist had to be given a means to earn its keep. "If the Futurist is not listed we could lose it."
- 5.29.5 Points made by those in the audience included:
- Scarborough needs a lyric theatre which would benefit the town culturally, as well as boost its tourist economy.
 - There is no raked seating in the Spa Grand Hall.
 - The Futurist has not been properly maintained.
 - Criticism was also made of Children's Corner near The Spa, Londesborough Lodge.
 - A subsidy for the Futurist is seen as an investment or it will remain empty
 - We don't want an empty derelict site on the seafront.
 - Popular acts were needed at The Futurist
 - Stars had not fulfilled their contracts
 - SBC would be irresponsible to continue subsidising the theatre
 - It would be a disaster if the Futurist went "dark"
 - We don't want another Royal Opera House
- 5.29.6 After an hour and a half's debate, voting for the motion was in favour of retaining the Futurist (34 to 6).

5.30 Urban Space Group (USG) Report

- 5.30.1 The Urban Space Group Chairman, Nick Hart, kindly submitted the USG's comments, observations and conclusions to the Task Group. We were advised that their document was a result of several meetings and a workshop held by the Urban Space Group (USG) over the last three years.
- 5.30.2 The USG only commented on the current site and surrounding area and did not make a formal representation as to the retention or otherwise of the current theatre as this was considered to be outside the remit of their group.
- 5.30.3 Accordingly the USG chose to split their response into two parts the first part 'general recommendations' is a set of recommendations that they felt should be taken into consideration irrespective of whether a theatre is retained on the site or not. The second part 'retention of theatre and/or performance space/ facility' constitutes an additional set of recommendations to be applied should the decision be taken to support the continued presence of some form of theatre or performance space within the defined area.
- 5.30.4 The USG expressed various concerns including viability and were particularly concerned that the theatre may close at the end of 2010. The USG did not feel it advisable to leave a 'dead and decaying building' in such a prominent location on the town's foreshore and advised that the theatre continue to operate in some form until its future is secured.
- 5.30.5 The USG emphasised that the site cannot be developed without taking into consideration the wider area as set down within the Town's own 'Kissing Sleeping Beauty' document. The USG recommended various development considerations as outlined in their report attached within the Futurist consultation summary Appendix 3(b)

5.31 Events at the Futurist - what is currently put on at the Futurist which could be put on at the Spa?

- 5.31.1 Various witnesses have referred to the potential competition between the Futurist and the Spa. Comments have also been received made about the capacity of the Spa to accommodate entertainment currently provided at the Futurist.
- 5.31.2 In response to this we asked our own Tourism Manager to investigate what entertainment at the Futurist theatre could be accommodated at the refurbished Spa. Tourism colleagues have advised that most of this and last year's Futurist entertainments programme could have been put on at the Spa.

- 5.31.3 One observation is that the Spa is unable to stage ballet or dance. Following refurbishment, the Spa stage will be slightly lower and considerably bigger giving increased flexibility. Whether this could accommodate large scale ballets will be explored further.
- 5.31.4 Looking at the last two years Futurist entertainments programme there have been very few productions requiring large scale scenery. What shows have been staged could be accommodated within the refurbished Spa Grand Hall.
- 5.31.5 Lynne Burton and Robert Cogo-Fawcett commented that the redevelopment of the Spa has implications for the Futurist in that:
- The planned programming for the Spa duplicates the current Futurist programming.
 - The Spa stage will be a similar size; although 'flying' restricted and less good sightlines.
 - Neither could house large-scale lyric work.

5.32 Implications for Tourism if the Futurist Theatre closes

- 5.32.1 In the absence of management information from the operator, Barrie Stead, relating to visitors to the Futurist, e.g. audience numbers and profiles, including residents or visitors, day visitors or overnight stays it is difficult to quantify the implications of closing the theatre for the local economy. However, the consultation undertaken by the Task Group shows that the Futurist attracts audiences from outside the Borough and the region thus contributing to the local economy.
- 5.32.2 If the Futurist closed many of the shows could be transferred to other venues within the town. However, the total number of shows would inevitably decrease. Whilst this would reduce choice it would enhance the visitor experience as clearly the Futurist, needs substantial investment in order to bring it up to modern day expectations.
- 5.32.3 Based on our experience of running the Spa we would estimate that the economic benefit of the Futurist to the Borough would be in excess of £2m per annum. However, set against that would be the transfer of some of the programme to the Spa and also the economic benefit accruing from any mixed leisure development on the Futurist and surrounding site. It is anticipated that there would be an overall net benefit to the local economy should the Futurist close and be replaced by a mixed leisure development coupled with the transfer of some of the programme to other venues.

5.33 Stockport Plaza Trust

- 5.33.1 PD who spoke at the meeting on 15 June 2010 suggested that the Council should investigate the possibility of donating the Futurist to a people's trust until such time as a more appropriate alternative arises

from development of the whole site which should incorporate a theatre and other tourist attractions.

- 5.33.2 PD quoted the example of the Stockport Plaza Trust Ltd and supplied us with a copy of the accounts for the year ended 31 August 2008. The Stockport Plaza Trust Ltd is a registered charity and the board of trustees is responsible for the overall governance of the charity.
- 5.33.3 The accounts state that the building was purchased by way of a grant from Stockport MBC of £450K with a further grant of £50K for prescribed repairs. The total grant is secured by a first charge on the building which will be extinguished without repayment after 15 years (in 2015) or on transfer of ownership of the building to the National Trust.
- 5.33.4 The Stockport Plaza recently underwent a £3.2m restoration and refurbishment programme. The Heritage Lottery Fund provided a grant of £1.9M, the North West Regional Development Fund provided £650k and Stockport MBC provided £300K plus public donations to restore the cinema and theatre. The building was converted from a bingo hall to a cinema and theatre and had been empty for 2 years. It seats 1171 people.
- 5.33.5 Stockport has an approximate residential population of 282,975 (2009 figures)
Stockport has one other theatre venue (The Garrick Theatre) which seats only 155 and is used for amateur productions. Stockport is part of the Greater Manchester conurbation.
- 5.33.6 **Stockport Plaza visit**
History
- 1932 opens as a cinema
 - 1965 purchased by the Mecca Group
 - 1966 closes as a cinema
 - 1967 converted to a bingo hall
 - 1999 closes as a bingo hall
 - 1999 Stockport Plaza Trust formed to protect and preserve the Plaza super cinema in Stockport
 - 2000 building listing upgraded to II* (2 star) by English Heritage
 - 2000 building purchased by the Stockport Plaza Trust with money from the Council
 - 2005 restoration plans begin
 - 2007 the Heritage Lottery Fund approves a stage I application for funding of £1.9m towards the first phase of restoration
 - 2009 (February) Plaza closes and work begins on restoration and refurbishment at a total cost of £3.2m
 - 2009 (December) Plaza reopens
- 5.33.7 **Main findings following visit**
- The Trust owns the freehold of the building and pays no rent

- The Theatre was purchased with a grant from the Council of £450k
- A further grant of £50k from the Council was made for prescribed repairs. These grants are non repayable providing the Theatre remains in the ownership of the Trust
- A loan of £100k was made to the Trust by the Council on a commercial basis after completion of the restoration
- The Trust does not receive any ongoing revenue funding or other paid support and is entirely self-sufficient
- The Trust developed their own full business plan, which was subject to scrutiny by KPMG, prior to gaining approval from the Council and funding agencies
- The rationale behind the Trust's decision to save the Stockport Plaza were to: (a) save a nationally recognised building and (b) to secure a theatre facility for the town following the closure of the Davenport Theatre (the last operating theatre in Stockport)
- The Trust stated that the lottery grant had been secured very largely on the back of its II* listed status
- The Trust has a board of 'hands-on' professional trustees including a local solicitor and accountant who give their time for free
- There is a pool of 90 volunteers, drawn from a large area, which includes retired theatre technicians, craftsmen and a projectionist
- The Theatre's entertainments programme largely mirrors the type of entertainment that could be accommodated at the Spa
- The Theatre has no fly tower and limited wing space

5.34 Sunderland Empire Theatre Trust

- 5.34.1 Barrie Stead had previously quoted Sunderland Empire as being a successfully run theatre trust. Sunderland Empire is of a similar size to the Futurist with over 2000 seats. However the population of Sunderland is 281,700 as opposed to 108,500 in the Borough of Scarborough and it is close to other major conurbations. As noted in Lynne Burton's report, Sunderland Empire receives a sizable subsidy from the Council.

5.35 Potential listing by English Heritage

- 5.35.1 We received notification in April 2010 that an application had been received by English Heritage to list the Futurist Theatre. A further letter was received in July 2010 to advise us that an initial assessment of the building had been carried out to consider whether the building holds special architectural or historic interest. At the time of writing the report a decision was still awaited. The decision could have implications for the site development but these cannot be predicted at this stage.

5.36 Retention of the Futurist Theatre – cost implications

Roof

- 5.36.1 Verbal advice received from Officers is that the steel and timber supports for the roof are structurally sound and in a good condition and no rot can be seen. However, the asbestos sheeting covering the roof structure is very fragile and will need to be replaced. It is now unsafe to let anyone go onto the sheeting and there is a lot of daylight showing through the roof. The use of cranes is unsatisfactory as staff would not be able to leave the safety “bucket” to access the roof.
- 5.36.2 The asbestos roof sheeting could be replaced with insulated sheeting to make it watertight. This would need careful management. The building would need scaffolding and it is believed that this could be done but it may be costly. The estimated cost of replacing the roof including scaffolding is around £395K
- 5.36.3 The boiler is in a reasonable condition; however the heating system it supplies is an antiquated single cast iron system. Potentially an exchange system could be used to take warm air from the roof (if re-roofed) down to the auditorium.

Boiler Mothballing

- 5.36.4 The cost of security is estimated to be £35k per annum for night time cover.
- 5.36.5 Boarding up costs: potentially this could involve a one-off cost of £22k depending on the type of boarding up used. On-going annual maintenance would be required. In addition empty business rates, buildings insurance, fire and intruder alarms etc would cost around £61K pa.
- 5.36.6 Officers advise that Asset Management staff need to visit the Futurist Theatre most weeks. There have been problems with vandalism to the boarded up Mermaid building and break-ins have occurred. Debris from the back and side door is cleared daily.

5.37 Demolition

- 5.37 1 Officers estimate that a budget would need to be set to cover costs in the region of £750K to include demolition, asbestos removal, services disconnections and retention of retaining walls. This figure would be subject to carrying out further investigations, methods could then be determined then hopefully costs could be refined.
- 5.37.2 If the Futurist Theatre is demolished this could mean that cliff support is required.

6. IMPLICATIONS

6.1 Policy and Legal

There are no immediate policy and legal implications stemming from this report.

6.2 Financial

The financial implications are as set out in the body of this report and in the recommendations.

6.3 Planning

Planning implications will be considered with the development brief.

Equalities and diversity

6.4 There are no specific equalities and diversity implications in the proposals in this report.

Other implications

6.5 We have considered whether the following implications arise from the report and have been satisfied that there are no identified implications that will arise from this decision:-

Staffing, Crime and Disorder, Health and Safety or Environmental implications.

7. CONCLUSIONS AND RECOMMENDATIONS FOR SUBMISSION TO THE CABINET

7.1 Conclusions:

The Commercial Case

1. It was clear to us from the evidence of Mark Rothery that in present market conditions a commercial developer would require a significant capital subsidy to entertain taking a commercial development of the present site forward.
2. Mark Rothery's evidence was that that the only option which had current developer interest would require a capital subsidy of £3.3m (Option 5 – cinema, hotel nightclub, retail, bars/restaurants, residential together with a 250 space car park). The lowest realistic cost option he identified which included a theatre would require a capital subsidy of £6.7m (Option 3 - a new theatre including residential dwellings together with a nightclub, retail and three floors of bars/restaurants) and a guaranteed revenue stream from that theatre of £430,604 per annum. (Note Mark Rothery advises that there is no current demand for Office accommodation – Option 3 with Offices.)

3. For the options including a theatre Mark Rothery assumed inclusion of a new 1500 seat theatre within a development taking up 8,000 sq m. of the available space. He indicated that a developer would be looking for an annual revenue income of £430,604 for a minimum lease period of 15 years. Without this revenue subsidy a commercial developer would be seeking an additional capital subsidy of £6.5m, indicating that to take forward Option 3 in current market conditions would require a subsidy of £13.2m.
4. The evidence of both Nick Edwards, Head of Finance and Asset Management at Scarborough, and Rob Tranmer, of Yorkshire Forward was that there were no public capital funds available at the present time to meet this funding requirement for any form of development of the site.
5. Mark Rothery advised that marketing of the site should be deferred until at the earliest 2012, as it was hoped by that time market conditions in the commercial development market would have improved, potentially reducing or removing the capital subsidy required.
6. Both Simon Gedye and Mark Rothery identified potential for a wider site development taking in the Town Hall extension/King Street Car Park. Mark Rothery indicated that this "Option 6" may present an attractive opportunity to expand physical links from the Town Centre to the Foreshore and may require no Council subsidy and could show a positive land value.
7. Mark Rothery's evidence therefore was that the potential for an Option 6, should be further explored and marketing of the site be deferred until at least 2012.
8. This was supported by the Urban Space Group who through Nick Hart emphasised that the site cannot be developed without taking into consideration the wider area as set down within the town's own 'Kissing Sleeping Beauty' document. The group were particularly concerned that the theatre may close leaving a 'dead and decaying building' in a prominent location on the town's foreshore and advised that the theatre continue to operate until its future is secured.
9. The Planning advice indicated that the Planning Brief was at the early stages of preparation but would need to.
 - contribute to urban renaissance
 - contribute to the Council's Corporate Priorities and the delivery of the Borough's Sustainable Community Strategy
 - enhance the entertainment and tourism offer of the town.

To summarise it appeared

10. Any current commercial development would require a very significant public subsidy

11. At the present time there were no public funds available from Yorkshire Forward or Scarborough Borough Council to support a commercial development
12. An Option 6 for a wider development linking the town centre and the foreshore needed further exploration
13. For any future commercial development of the site a significant amount of work was still required in terms of:
 - (a) preparation of a planning brief for the site, and
 - (b) assessment of the potential for a wider development (Option 6)
 - (c) development of a marketing strategy for the site
 - (d) even with this work, no commercial marketing should be undertaken before at the earliest 2012
 - (e) the outcome of the listed buildings application is still extant

Theatre expertise input

14. We also had the benefit of significant expertise from the commercial theatre sector, including a detailed expert report from Lynne Burton and Robert Cogo-Fawcett, both of whom had a wealth of relevant experience.
15. They considered that the current planned programming for the Futurist duplicates the potential for the Spa. However, at present neither could house large-scale lyric work.
16. That report suggested that for a commercial theatre operator to take on the Futurist Theatre they would require a significant financial subsidy. A survey of 14 theatres (average of 935 seats) received an average subsidy of £378k/annum.
17. They cautioned that there was not the product available in the market place at present to support the commercial operation of the Futurist Theatre.
18. They also cautioned that in their view the potential theatre market in Scarborough was inadequate to support two large 2000 seat theatres.
19. We were also assisted by evidence from key current national theatre operators Paul Gregg of Apollo, Nick Thomas of Qdos, Stephen Wood of the Stephen Joseph Theatre and the local entrepreneur and former operator of The Royal Opera House, Don Robinson who echoed the evidence of Lynne Burton and Robert Cogo-Fawcett.

Local Interest Groups

20. We however, also received evidence from local interested individuals who were supported by Barrie Stead, who also has a wealth of experience in the Theatre's market and presently operates the Futurist Theatre.

21. He said he was very enthusiastic and passionate about the building and expressed the opinion that it was very important that Scarborough keeps it. He considered that the Theatre wouldn't need £10m spending on it, and took the view that you can do wonderful things with imagination.
22. He advised that he has a relationship with the entertainment providers and is able to get people to bring acts to Scarborough. He suggested that most do well and want to come back. A problem he identified was that he did not have a two year lead in period to book ahead artists. We noted that he said "We are prepared to put in the effort as long as there is a chance we can turn the Futurist round".
23. The spokesperson for the proposal for a Trust, Patricia David, accepted that the Theatre would have to earn its keep, but suggested that there is an enormous opportunity to achieve a return on capital. She indicated that Trust proposals would include refurbishing the Futurist Theatre to make it fit its new purpose. She proposed setting up a charitable trust to seek a peppercorn lease of the building from the Council.
24. She advised that rather than looking to the commercial development sector the Council should consider the opportunity for a Charitable Theatre Trust to galvanise local volunteers.
25. We were impressed by the enthusiasm of both Barrie Stead and Patricia David and took up the opportunity to visit Stockport to examine what had been achieved there with a minimal capital injection from the Council
26. The Stockport Plaza underwent a £3.2m restoration and refurbishment programme. The Heritage Lottery Fund provided a grant of £1.9M, the North West Regional Development Fund provided £650k and Stockport MBC provided £300K plus public donations to restore the cinema and theatre. The building was converted with this funding from a bingo hall to a cinema and theatre.
27. The Stockport Plaza Trust developed their own full business plan, which was subject to scrutiny by KPMG, prior to gaining approval from the Council and funding agencies
28. We noted that the Stockport Plaza Trust does not receive any ongoing revenue funding or other paid support and is entirely self-sufficient.
29. Bringing all these matters together we reached the following recommendations to the Committee:

Recommendations

1. The recommendation of Mark Rothery that no marketing of the site should be undertaken before 2012 be accepted.
2. Given this recommendation, and the absence of capital funds to support a redevelopment of the site, to offer the opportunity to those who promote the idea of a People's Trust to bring forward firm proposals to operate a Theatre from the site.
3. Those proposals should include the development of a robust business case supported by a business plan and should be returned to Corporate Strategy Overview and Scrutiny Committee within 12 months of the meeting of Cabinet which reviews this report.
4. The business plan would need to be based on the Stockport model with no ongoing revenue funding or other paid support from the Council; consequently it would need to identify the funding sources to be relied upon to support the proposal for retention of a Theatre.
5. We recommend that such a business plan be subjected to detailed analysis and external scrutiny as appropriate.
6. In the interim Barrie Stead should be offered the opportunity to continue to operate the Futurist Theatre for a further period. We recommend a period of two years to provide him with greater certainty so that he is able to book acts ahead. In keeping with the expectation that the Theatre would be expected to become self sufficient, the Task Group recommends that the level of subsidy be reduced back to pre-2009/10 levels. The Council would reserve the right to terminate the agreement should substantial repairs or investment be needed in the two year extension period, with no compensation to the operator.
7. We recommend that the Planning Brief for the site be completed
8. We recommend also that Option 6 as identified by Mark Rothery, that is a larger comprehensive development which could embrace a theatre on the whole Futurist site, Mermaid and adjoining shops, King Street car park, and the extensions to the rear of the Town Hall be evaluated, and any additional value that may be realised by combining the Futurist site and the King Street/Town Hall site, be assessed with any proposals that may come forward.
9. To advance these proposals we would recommend that should the opportunity arise to complete land assembly through the purchase of any outstanding land interests at the Futurist this should be taken, subject to adequate budget provision being available.

10. However, in tandem with presenting this opportunity to the promoters of a People's Trust, the group recommends that Council officers develop contingency plans for marketing the development without a Theatre, should proposals for inclusion of a Theatre either not come forward, or prove unrealistic.
11. We recommend finally that Corporate Strategy Overview and Scrutiny Committee maintains the matter under regular review, together with progress on the Trust's Business Plan, the listed building consent application, the Planning Brief and the evaluation of Option 6 be subject to a detailed review by the Committee within 12 months.

A handwritten signature in black ink, reading "David Jeffels". The signature is written in a cursive, flowing style.

Councillor D Jeffels
Chairman of the Futurist Task Group

Notes:

Appendices

Consultants' reports and presentations:

- 1(a) Revised interim report into Theatre Size Assessment, Initial Market Assessments, Indicative Feasibility Studies and Cost Assessments – updated by Mark Rothery 11 May 2010
- 1(b) Presentation by Mark Rothery 9 June 2010 including questions for Mark Rothery from the Task Group
- 1(c) Summary report on the potential market and programming for the Futurist Theatre in Scarborough Prepared for Scarborough Borough Council by Lynne Burton and Robert Cogo-Fawcett May 2010.
- 1(d) Presentation by Lynne Burton and Robert Cogo-Fawcett on their report 9 June 2010
- 1(e) Report by Simon Gedye, Studio Gedye Ltd – vision for the Futurist, Scarborough July 2010
- 1(f) Presentation by Simon Gedye 8 July 2010
- 1(g) Presentation by Hugh Smith, Major Projects Officer, Planning and Regeneration Services, SBC 8 July 2010
- 1(h) Presentation by Hannah Smeed, Principal Planner, White Young Green 8 July 2010

Presentations:

- 2(a) Presentation by Patricia David 15 June 2010
- 2(b) Patricia David – full script of presentation 15 June 2010
- 2(c) Presentation by Adrian Perry, Scarborough and District Civic Society 17 June 2010

Additional information:

- 3(a) Futurist Site Map – Interests
- 3(b) Futurist Consultation summary September 2010
- 3(c) Futurist Site Customer Profiling Report September 2010

Background Papers (available on the Council's website):

Development Proposal for the Futurist Theatre 19960411
Report by Sir Robert Scott on the future of the Futurist 199605
Futurist Theatre Report to Leisure and Amenities Committee 19960718
Futurist Planning Brief 20011030
Cabinet Report dated 20011130
Team Report The Spa 20040609
ABL Leisure Report 20041213
Cabinet Report on The Futurist Site Development - CPO dated 20050524
White Young Green Report on The Futurist Site dated 200509
Urban Initiatives Report dated 20050613
Sea Change Programme Business Plan 20090428
Futurist Interim Report V2 Gleeds Knight 20080929
The Spa Entertainment Strategy Research December 2009

Spa and South Bay Urban Realm Project -Swankye, Hayden Connell Architects
(SHCA) Stage D Proposals dated July 2009.

Notes of the meetings held:-

9 June 2010

15 June 2010

17 June 2010

8 July 2010

If you have any queries about this report, please contact Lynn Mellor Scrutiny
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