DEVELOPMENT OF

THE FESTIVAL HALL PETERSFIELD

: OPTIONS AND PROGRAMME

A

CONSULTANCY PROJECT

FOR

Petersfield Town Council

BY

ACL CONSULTANCY SOLUTIONS LTD

CHRIS MOORE OCTOBER 2019

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A) Executive Summary

A1) RECOMMENDATIONS AND NEXT STEPS

Starting at the end (as it were) our summary view at the conclusion of this project is that there exists, for a limited time, a unique opportunity for the Festival Hall operation to make a step-change in meeting the real and changing needs of its growing population, and we recommend that the Town Council should take fullest advantage of this, raising funds as appropriate, and proceeding as soon as practicable to RIBA Stage 3.

However, and even with all the data available, Members, Officers and other Stakeholders should remain clear that planning and implementing arts and cultural development (as with any commercial development, in truth) does not always follow 'rules' as such and can never be without risk, but can be risk-reduced and value-enhanced by implementing good practice and learning from others: in other words, it will never be a complete 'science' but it **can** work.

We recommend that the Town Council retains its ownership of, and interests in, a completely revitalised Festival Hall complex. That is the best way for the Town Council to demonstrate prudent but forward-looking investment in this important community asset. We believe that there is a compelling case for buildings and programme development at the Festival Hall. We further believe that the buildings and programme development currently proposed will support Petersfield Town Council to

- Ensure that arts and culture remain a comprehensive, relevant and attractive characteristic of Petersfield and its environs
- Migrate the operation from being mostly 'passive' (that is, in receiving offers of product, hires and activities) to being active (planning and delivering its own programme and ancillary services)
- Provide a de-risked and appropriate mix of events and activities that will support a sustainable, revenue-generating business whilst meeting the needs of different (and changing) local Petersfield communities and stakeholders
- Deliver best value for taxpayers and reduce the need for subsidy
- Respond effectively to recent consultations on the Town's cultural offer, health and wellbeing / quality of life
- Reflect best practice and approaches from other successful arts development projects
- Develop the growing market in arts organisations willing to come to prepare and perform in Petersfield from Portsmouth, and support local amateur and professional arts

Whilst there are still many variables across the proposed developments that might influence our ability to be very definitive about detailed project activities and when they should take place, the Town Council may decide that a staged approach to buildings development could offer best value and least inconvenience (although our experience suggests that quite the opposite would be the case) and this would have significant impact on the early stages of the programme developments we propose. Therefore, it is probably most helpful for us to take the view that the Town Council will require some years of transition, during which it can

i. (Following the next detailed design stages) manage the construction streams all together or more separately, over a longer time period
ii. Raise additional funds from alternative sources
iii. Provide opportunities for existing staff to develop new competencies and contacts for a developed Festival Hall operation
iv. Start to recruit key posts (please see our section on Staffing, below) such as Venue and Deputy Managers, Marketing and Outreach Manager
v. Begin to raise awareness about the imminent programme developments
vi. Start to develop producer, partner and artist networks, and networking with other venues
vii. Begin to build and maintain a significant volunteer network
viii. Experiment with some of the parts of the new programme that can be managed within the existing facilities (to build audiences and gain experience)
ix. Identify a small number of key, strategic arts and cultural partners and begin long-term project planning and fundraising with them

Whilst we cannot determine when this project might be 'green-lighted', more detailed analysis of these activities is included at **Section C7**.

We do not recommend tendering for an operating partner at this stage (or helping to create one) that can deliver the Town Council's ambitions (*in toto*, this is never an 'easy option', in our experience, and revenue streams and controls become 'at risk'). In addition, the Town Council needs to understand the new operation in more detail before it can effectively think about delegated services.

We believe that a period of at least two years, therefore, would proceed the plans contained in this document. In other words, the 'Year One' we present here and below is the first year following buildings development completion, and our 'Year Five' is the first full year of operation.

A2) A REVITALISED PROGRAMME FOR THE FESTIVAL HALL COMPLEX

Following discussion, the **mission** statement amended and agreed for the Festival Hall was: ***The Festival Hall Complex in Petersfield exists to offer a programme of quality professional and amateur arts and cultural opportunities to the people and communities of Petersfield and beyond.***

Following discussion, the **vision** statement amended and agreed for the Festival Hall was: ***To become the local and sub-regional venue of choice for participants, audiences and other stakeholders, offering high quality and accessible spaces and facilities for the widest variety of uses, responding dynamically to change and attracting more residents and visitors to Petersfield Town.***

Following discussion, the s**trategy** statements amended and agreed for the Festival Hall were:

- Change the footprint, configuration and finish, gradually and progressively, providing the flexibility and direction, modernising and optimising better to meet local community wants and needs, providing value for money both for users and for taxpayers and so securing the Festival Hall complex's future for the next generations
- Broaden the programme of activities from a simple 'halls for hire' model to a proactively created and driven programme that balances income-generating work with that requiring targeted subsidy
- Develop services, buildings and facilities to meet modern user expectations and to reflect a wide range of interests, skills, learning/training opportunities, participation, viewing and listening opportunities
- Aim for a cost-neutral operation, providing targeted subsidies whilst also reducing the reliance on local authority subsidy (by creating more effective opportunities for income generation through hire revenues, for example)
- Adopt a long-term, strategic approach to building a broad programme and an attractive complex that provides more than one reason for more than one demographic to come, linger, take part and spend. This approach will reflect key strategic developments (such as the move to Unitary)
- Stimulate and co-produce / co-promote events elsewhere in the area (such as the South Downs National Park) with appropriate partners
- Undertake development projects (buildings and programmes) as cost- and time-effectively as possible, with a key ambition to minimise and reduce the period of any disruption

(NB this list should not be considered exhaustive nor in priority order – these are working strategy statements at this stage; 'do nothing' and 'De Minimis' options were considered and rejected). The new vision for The Festival Hall Complex encompasses the notion of creating an operation of such local and regional distinction and quality (including the annual music festival as a focus) that audience members and other stakeholders (such as hirers) are prepared to bypass other venues in order to come to Petersfield.

The new mission for the venue focuses on

- Providing more and better reasons to come to live in and visit Petersfield, including a broad and high-quality programme of performance and participation opportunities for the whole community
- Enriching people's lives by offering more and varied opportunities to participate in the arts and culture but also valuing entertainment alongside learning, cultural enrichment and providing access
- Providing opportunities to develop talent and to engage new audiences and participants
- Providing best value for taxpayers by extending the Festival Hall Complex's range of activities and revenue streams (de-risking the operation overall), creating additional profit streams and being open to change (according to customer wants and needs) to attract new customers and retain existing customers

Moving right away from a 'halls for hire' model, making changes to the programme and buildings, together with other changes within the operation are all designed to help 'future-proof' the Festival Hall by supporting new and extended activities to attract a wider range of the local community, to expand the day time activities and to place the whole operation at the heart of the cultural and community life of Petersfield and its environs. The new programmes will preserve existing, successful programme areas whilst also developing new aspects, creating a healthier 'mixed economy' of commercial revenue streams that can compete effectively now and going forward. Partnerships will be very significant.

The new programme proposed will focus on some revenue-generating and some cost-neutral or subsidised events in

- Music
- Film
- Theatre
- Literature
- Community Events and Community-Based Meetings
- A Digital Hub for Competitive Gaming

It could also include revenue-generating events including

- Variety Events (Comedy, 'An Evening with', Readings / Signings)
- Musical Theatre
- Light Opera

Its 'supported' or subsidised programme can include

- Visual Arts Exhibitions and Display
- Workshops and Learning

Its other revenue-generating streams should include

- Fairs and Sales
- Private Hires (Functions)
- Arts Hires (Amateur Companies)
- Corporate Hires (Meetings, Training, Conferences)
- Professional Hires (Trainers and Leaders offering services)

The new programme will take place within a revitalised venue that is characterised by

- Accessible and attractive buildings, facilities, décor and equipment that matches customer expectations and is fit for purpose
- A new staffing team that combines paid and volunteer staff who are properly trained and supported to help to attract new customers and to retain existing customers

- A flexible venue that is automated as far as possible to provide efficient flexibility and change for a significantly wider range of activities
- A food and beverage offer (whose delivery might include other local suppliers) that is flexible and attractive according to the venue activities and customer groups, can be 'themed' when appropriate, can adapt to changing tastes and different requirements and can support corporate and private functions
- A marketing strategy and plan that will continually propose a significantly extended programme to some existing and some new audiences
- Ongoing searches for partnership opportunities and project funding
- A fair and transparent pricing policy – a sliding scale that favours local, voluntary and community-based organisations and activities (but also balances them against activities that can generate necessary revenue)

A3) COSTS AND BUDGETS

The full body report indicates our recommendations on capital fundraising (including the Public Works Loans Board). If the capital programme is implemented as FWA have indicated, and the new programme and staffing are introduced as we propose the impact on the net operating cost/surplus of the Festival Hall would be to move from a net annual deficit per year to a break-even scenario in Year 3, and by Year 5 we believe it could cover repayments on its PWLB capital loan in that, and in subsequent years. This can be achieved by diversifying and increasing revenue streams and by significant investment in marketing. We currently envisage two or more transition years before our programme plan and budgets begin, at 'our' Year 1. The five years summary from 'our' Year 1 (when building work is completed, or nearly completed) to 'our' Year 5 (the first full year of full operation) is as follows:

Narrative	Programme and buildings launch	Programme growth	Programme growth	Programme growth	First year of full operation
Year	**Yr 1**	**Yr 2**	**Yr 3**	**Yr 4**	**Yr 5**
Income	£542,196	£683,637	£886,786	£1,062,665	£1,260,259
Expenditure	£654,574	£687,184	£770,259	£901,443	£1,014,595
Net	-£112,378	-£3,547	£116,527	£161,222	£245,664
Cumulative	-£112,378	-£115,925	£602	£161,824	£407,488

Notes

- key operating costs and revenues are developed from figures provided by Petersfield Town Council and from our own resources
- we have avoided the inclusion of repayments against capital borrowings. Whilst, clearly, we cannot anticipate where, how much and on what terms the Town Council might raise monies, we have provided a very summary guide to PWLB borrowing elsewhere, and have illustrated how much the operation could contribute (in Year 5) to its capital borrowing obligations

To summarise, our (very cautious) modelling for the first full year of operation (our Year 5) with the arts, staffing and building developments proposed indicates no requirement for Town Council subsidy and enough to service a PWLB loan, whilst delivering far more significant value for local residents and visitors. We firmly believe our scheme can deliver significant additional revenue, helping The Festival Hall operation towards self-sufficiency. An outline revenue budget is included as **Appendix D1.**

B) Main Body Report

B1 INTRODUCTION

In September 2018, Petersfield Town Council invited ACL Consultancy Solutions to develop programme (and related) planning documents to support the development of building plans for the Festival Hall by the Council and Foster Wilson Architects. Petersfield Town Council advised that it wanted to see an evidence-led and researched range of development possibilities for the Festival Hall.

This work was to begin alongside the final stages of Foster Wilson Architect's RIBA Stage 2 work on the Hall and reflect the recent consultations. FWA's work was presented in December 2018 (Petersfield Festival Hall, RIBA Stage 2 Design Report – Draft, December 2018) and is represented in **Appendix D9.** The Town Council said that the development proposals should focus on

- Helping the Hall migrate from being mostly 'passive' (that is, in receiving offers of product, hires and activities) to being active (planning and delivering its own programme and ancillary services)
- Providing a de-risked and appropriate mix of events and activities that will support a sustainable, revenue-generating business whilst meeting the needs of different local Petersfield communities and stakeholders
- Developing a convincing business case that is based on an enhanced venue and uses within the local context, indicating what PTC may need to develop, provide or own/manage to underpin growth and development (including auxiliary products / services and improved appropriate public facilities, for example)
- Using the recent consultation data (and supplementing this if needed), the document should include a review of local and regional wants/needs and a market assessment, as well as a researched strategy for re-purposing (utilising the office spaces that are currently leased, for example) and key project planning recommendations
- Reflecting the development and direction of The Point (Eastleigh) as far as appropriate, but also incorporating best practice and approaches from other development projects ACL has worked on
- Developing the growing market in arts organisations willing to come to prepare and perform in Petersfield from Portsmouth
- Providing a business plan of 2 years in outline and 3 years in more detail
- Reflecting the best aspects of The Anvil (Basingstoke) and The Point (Eastleigh)

Chris Moore (MD of ACL Consultancy Solutions Ltd) was Lead Consultant for this project.

B2 THE CURRENT OPERATION

OVERVIEW

The current operation is a ‘halls for hire’ model. There is a limited and occasional programme. Hirers rent space and may buy some additional support to run their own events. The hirers mostly fund their own events (including bookings, marketing, food and beverage, merchandising and so on). The Town Council also rents out a number of office spaces.

The Town Council has clearly declared its interest in exploring other operational models. Our view is that the buildings developments currently proposed offer opportunities for a significantly enhanced community facility that can go much further in enhancing quality of life, health and wellbeing in and around Petersfield, whilst also reducing Town Council subsidy requirements.

PROGRAMME AND ACTIVITIES

There is currently a limited and occasional programme. The respected Petersfield Music Festival is a regular, annual highlight. The film programme is promoted as the ‘New Savoy Cinema’. There are markets and fairs, an occasional professional theatre show, presentations by local amateur organisations, an annual pantomime and private hires by individuals and businesses. There are some Town Council events. There are also valued business tenants in the building.

STAFFING

The current staffing comprises a Venue Manager (37 hours per week, the Postholder lives on site and has other sites to manage) and 3 part-time caretakers (these are not technical roles, they are focused on maintenance and cleaning) whose roles amount to an additional 87 hours per week in all. There is very significant additional support from the Town Council, with access to ‘back office’ support services, an individual with social media and marketing skills (perhaps this could be formalised and augmented), significant Member and Officer oversight and so on, and it is not possible for us to cost these contributions at this point.

FUNDING

The halls operation contributed towards letting fees of £116,716 in the financial year 2017/18. In that same year, the cinema contributed £9,500 to the Town Council’s receipts. Nevertheless, there is currently a recurring Town Council subsidy. This is because salary costs are on the local government scales, there are substantial buildings costs (repairs and maintenance) and equipment purchases, and some other costs are allocated to the Festival Hall as a cost/profit centre (for example, employment, community support/events, legal and accountancy).

USERS

These currently include individuals (hirers for functions), clubs/societies and charities, the Savoy Film Club, amateur arts organisations and some professional promoters. Users have indicated their broad support for capital improvements, and the recent consultations have highlighted the need to improve the back of the building in particular. Most hires, by far, are non-commercial (i.e. community, amateur/voluntary or similar). Hire charges are viewed by some as very high, but our comparison with other, comparable venues does not support this view – the charges are in line (and the discount for hires of more than 6 days, for example, is quite favourable to hirers). The Town Council is reviewing its charges at time of writing.

MARKETING

The Festival Hall has its own website (linked to the Town Council website amongst others). The site is unfussy and offers limited information. Social media links are not well-utilised (little Twitter, Facebook or Instagram activity since late last year, no content on You Tube). It is probably the case that almost all business is repeat business – people who know about the facilities continue to use them, but there is probably no pipeline of new business. There is anecdotal evidence that some hirers travel from outside the Town and beyond the very local area in order to use the hall.

CAR PARKING

There is some car parking space, most of which will remain available (except for some loss in the area of the extension at the front of the building), with the number of parking places for people with disabilities likely to be increased as part of the site development. Some of the spaces are currently rented out to tenant businesses (and might therefore be used by patrons after 5pm). The car park belongs to East Hampshire District Council.

CATERING

The kitchen is currently used only occasionally for large catered events (3-4 times per year). For those events, external caterers generally serve food prepared elsewhere, using their own equipment. The rest of the time the kitchen is used for simple preparation of food and washing up related to the bar. The current bar counter is oversized and under-utilized. The bar is currently not stocked by the management but is used by hirers to serve their own food and drinks. There is a lack of secure bar storage, which means when the bar is in use at night the room cannot be let during the day.

THEATRE COMPETITION

The Festival Hall is surrounded by theatres and venues of varying scales and purposes. However, it currently maintains a dominant position within a 5-miles radius. The proposed development would provide a theatre seating around 400 (750 standing), a studio space (formerly the 'small hall') of up to 80 seats and the Rose Room / Rooms 1 and 2 seating up to 120. There appear to be 41 theatres within 20 miles (just over 30 minutes' drive-time) of the Festival Hall in Petersfield. 30 minutes' drive time is the 'accepted' travel distance for patrons in this area of the UK. Within 5 miles of the Festival Hall, the only theatre venue appears to be at Petersfield School. They are offering an occasional programme (including 'Battle of the Bands, comedy, film, musicals) but the theatre only seats 164 and – in any case – should become a working partner.

Within 10 miles are the Phoenix Theatre and Arts Centre (Bordon) and the Wessex Arts Centre (Alton). The Phoenix (main space) only seats up to 100. It offers an occasional, mixed programme with a focus on youth arts and participation. Wessex Arts Centre is actually a College theatre and is not promoting a programme at this time. Neither of these venues is a competitor and both could be considered as potential partners.

Within 20 miles are a further 38 theatres and halls of many shapes and sizes. More information on these is included in **Appendix D5**.

This apparently ‘crowded’ picture includes many types and scales of venue that currently offer little or no direct competition to the Festival Hall and excludes some significant competition beyond the half-hour drivetime range (including London). Realistically, two key factors need to inform regular analyses of the Festival Hall’s market position, namely

- Is any of these venues aiming to change its offer?
- Is any of these venues in direct competition for arts/ cultural (or other significant) product? If so, what is the likely impact?

Regional and sub-regional venue networks can deliver significant value when local venues and providers work more closely in scheduling events, sharing ‘product’, cooperating on logistics and sharing local, regional and national information. Such networks can

- Include a variety of spaces
- be managed on a financial basis of participant time
- focus on the extra cultural and commercial value that can be created by
    - sharing product: shows, artistes and companies who are in the area
    - sharing opportunities for workshops and other education and training activities (e.g. a show in one venue, workshops in another, workshop participants pay reduced show ticket prices)
    - linking themes, times, events to provide regional mini-festivals (also in partnership with other regional providers such as food and beverage, bed and breakfast)
    - planning together to avoid undesirable programme clashes (i.e. those that would split a limited local audience)
    - combining marketing and promotional resources to enhance the regional propositions as well as the local
    - sharing production costs for high-level product that can be co-presented and co-branded (e.g. an event at the biggest venue that is promoted by all the member/branded venues)

There are, perhaps, two key ways to respond to theatre space competition that focuses on auditorium size; either strive to be very different (if this is justified on the grounds of an established reputation, for example, or a local specialism) or to be similar in size but look at the potential for developing an informal local/regional touring network, thus making the area more attractive to touring companies. For the Festival Hall, the former seems the more appropriate and achievable option.

The preferred buildings development option includes a second space (the ‘Small Hall’ which we will be referring to as the ‘Studio’. We firmly believe that this extra facility will support the Festival Hall in offering more than some other venues. The rationale for this additional space includes

- a fully refurbished studio, seating up to 80, for meetings, rehearsals, conferences, social events and small / informal performances.
- the provision of this space would be key to attracting a theatre company in residence. However, the types of companies being considered (and likely to be interested) are small-scale and unlikely to have more than two productions a year (with rehearsal periods of some two to three weeks maximum). Even if two companies are attracted this is only a maximum of 12 weeks a year

- from the information already collected it is clear there is a local demand for a small general purpose and flexible space for a wide range of community activities. This could include arts and craft classes, dance workshops, community group meetings, social gatherings, small public meetings, business training days and similar and possibly some type of private functions (such as parties). This type of use usually grows once the space is known by local people and it is effectively marketed (the Rose Room and Rooms 1 and 2 might also support)
- a space of this type will enable the development of additional, directly promoted additional programmes, such as one person shows, more experimental work, spoken word and poetry, chamber music and recitals. It could also be used for visual arts displays, exhibitions and so on
- for its cost, this additional space can deliver tremendous value: it creates more daytime use, opens the building to wider sections of the community, provides opportunities to encourage people to attend performances and enhances the viability of an augmented catering operation. The additional operating costs are not great, as no additional staff are needed, and it is an area that can generate regular income at low risk

CINEMA COMPETITION

Cinema competition within a five-mile radius is negligible. Beyond this, there are at least 22 cinemas in Hampshire (many of which are multiplex). The proliferation of more affordable screening technology means that an audit of all working projection facilities likely to represent competition for The Festival Hall is beyond the reach of this study (not least because offers are in continual flux). Nevertheless, this is a (relatively) an un-crowded market for film around Petersfield, which bodes well for distribution rights, audiences and live screening rights. For more information on the changing face of cinema in the UK, please see **Appendices D7 and D8**.

B3 SWOT ANALYSIS

STRENGTHS	**WEAKNESSES**
Halls for Hire model is very low risk for the Council and for taxpayers	Halls for Hire model offers minimal community value (quality of life, health and wellbeing) and creates minimal revenues
Good reputation for events it promotes	Current model requires recurrent subsidy
Facility to hire spaces is popular	Limited, part-time programme
Annual music festival is very high-profile	Surveys have indicated that the complex is not offering enough for local people
Town Council also contributes people time and other support	Very limited staffing resource ‘on the ground’
Facilities are popular with many (especially amateur arts organisations)	Website and social media activities are very minimal
Some car parking available	Very limited Marketing resources

Committed team and volunteers	No significant catering provision
Historical and attractive building in many respects	Bar facilities are inadequate
Minimal local venue competition (including theatre and cinema) – strong geographical location, with evidence that users are coming from further afield	Bar revenues usually go to hirers themselves
	Some users currently in a position to influence policy (including pricing)
	Some aspects of insurance cover whilst amateurs may be operating equipment could be very complex in ad adverse event
	Extension is deteriorating and unattractive
	Overall, some very 'tired' parts of the building that do not attract
	Facilities not currently suited to a significant programme development, may not be compliant in some regards and do not need contemporary expectations of a public building
	Overall layout is not maximised
	Buildings are not energy-efficient
OPPORTUNITIES	**THREATS**
Going on to RIBA Stage Three and completing the buildings programme could create an attractive, popular, well-used and efficient complex that puts contemporary and other arts, culture and leisure at the centre of the community	Extension (or other part of the complex) becomes unsafe / unusable
An extended programme of activities could offer more opportunities to more people, creating revenues and avoiding future need for recurrent subsidy	An adverse event exposes issues with insurance liabilities over members of the public using equipment in hazardous situations (e.g. rigging lanterns)
Taking back financial control of the bar and any catering provision (even though others may actually deliver the services) would help create revenues – some organisations would need to be compensated for perceived loss	The complex continues to deteriorate and becomes more unattractive to residents
Development of the buildings and programme would open up access to all ages, ethnicities and abilities	Other venues, operators and producers take the initiative in developing contemporary and popular environments and events locally – even the existing business base is eroded
Putting the office spaces currently leased back into community and Town Council use would be popular and positive (and could further help develop revenues)	Programme remains significantly dominated by amateur arts organisations and their interests

Using the Festival Hall complex as a hub, other events could be organised and promoted elsewhere in the Town and local area	Town Council finds itself unable or unwilling to provide recurrent revenue support
Local artists and organisations (including amateurs) could produce more work and opportunities more often, sustainably and efficiently	If the developments go ahead, the organisation finds itself unable to support a bigger programme and unable to service its debts
The annual Music Festival would be better housed and better attended. More related events would be possible (e.g. with second studio space)	Existing staff and volunteers lose interest / leave as opportunities diminish
Professional staff, specialist producers and promoters can help the organisation move to a different level of operation relatively quickly	
More volunteers would be attracted to work in and around the complex (including younger people and people with disabilities)	
A sub-regional partnership could ensure that product and opportunities (such as festivals) are shared between non-competing local venues	

B4 DRIVERS FOR CHANGE

DRIVER 1: PUBLIC OPINION

There has been extensive public consultation to place the early buildings design and proposed new programmes under public scrutiny and invite input and improvement. For example, Foster Wilson Architects undertook initial community consultation in the early stage of its RIBA work (this is – rightly – a requirement at most RIBA development stages). There have been exhibitions, online consultations and questionnaires. In August 2019, a questionnaire was promoted (and analysed later) over the August Bank Holiday weekend. In October 2019 Petersfield Town Council organised an open public event for commentary, workshops, presentations and informal feedback.

Much of the comment and feedback has been brought into the improvement of buildings and programme plans. Informing the programme plans, the following comments have been particularly significant (and we have tried to reflect these in developing our proposals). There was notable demand for

- Accessible spaces, on all levels, for all people
- Events specifically aimed at older people and those with disabilities
- Heating and air conditioning throughout
- More, comfortable, flexible spaces (for yoga, meditation, keep fit/movement, activity clubs, Tai-Chi and so on)
- Flexible spaces in which teachers and other specialists could offer a wide range of workshops and learning activities
- Spaces for live music and dancing

- More opportunities for younger people
- An expanded theatre and film programme
- Affordable access for amateur and community groups
- Space and facilities for exhibition and display
- A tourism and visitor centre

DRIVER 2: DEMOGRAPHICS

Petersfield Town Council looks after the interests of the ancient market Town of Petersfield, that sits within the District of East Hampshire, in the South Downs National Park and all within the County of Hampshire, Southern England.

The estimated population of Hampshire, excluding Portsmouth and Southampton, is 1,370,700. The estimated population of Hampshire, including Portsmouth and Southampton is 1,837,800 (Source: ONS 2017 mid-year estimates). Across the County, arts and cultural provision (including cinemas) tends to be focused in the cities and larger towns (as does the population). Hampshire is still the third largest shire county, with population growth similar to the national average and every district growing.

The District of East Hampshire currently comprises 38 wards. Hampshire County Council's 2017 based Small Area Population Forecasts (SAPF) indicate that, for the period 2017 – 2024

- The Population of East Hampshire is forecast to increase from 119,900 to 132,300 by 2024
- The Child Support Ratio is forecast to increase from 30.6 to 32.1 child dependents per 100 people of working age by 2024
- The Elderly Support Ratio is forecast to increase from 39.1 to 43.5 elderly people for every 100 people of working age by 2024
- The Total Dependency Ratio is forecast to reach 75.6 'dependents' per 100 people of working age by 2024 (up from 69.7 in 2017)
- Ageing Index forecasts suggest that in 2024 there will be 135.5 elderly people for every 100 children
- There is forecast to be a 12.5% increase (or 6,400 additional dwellings) by 2024, up from 51,700 dwellings in 2017
- The population of East Hampshire is ageing, with increases forecast mainly amongst the older age groups

Petersfield offers employment in shops and offices in the town centre, and farms in nearby villages, while other people commute to London and Portsmouth. Light industry tends to be concentrated on the Bedford Road estate on the west side of Petersfield, including Whitman Laboratories (part of Estée Lauder). In 2007 the Norwegian-owned oil-supply giant Aibel Ltd added an engineering office in addition to their UK head office in Petersfield.

Census figures from the last UK census in 2011 are dated, but those from the Department for Work & Pensions can often be a good indicator of the prosperity of the town and possible indicator of how hard it would be to get employment in the area. The rate of unemployment in Petersfield is both lower than the average for Hampshire and lower than the national average, suggesting that finding a job in this area maybe easier than most places. The rate of claiming any benefit (which includes in work benefits) is more than 10% lower in Petersfield than the national average, suggesting higher salaries than the average in the area.

Statistics for the highest-level education obtained by the residents of Petersfield and are from the UK Census of 2011. Petersfield has a lower level of residents with either no qualifications or qualifications equal to 1 or more GCSE at grade D or below, than the national average. Petersfield also has a high level of residents with a higher education qualification (level 4) than the national average, suggesting that the residents of Petersfield are better educated than the average England citizen. The respondents of the 2011 Census were asked to rate their health. The percentage of residents in Petersfield rating their health as 'very good' is more than the national average. Also, the percentage of residents in Petersfield rating their health as 'very bad' is less than the national average, suggesting that the health of the residents of Petersfield is generally better than in the average person in England.

Petersfield has a higher rate of home ownership, either outright or via a mortgage than the national average, which suggests that Petersfield is a relatively affluent area. Social grade is a classification based on occupation and it enables a household and all its members to be classified according to the job of the main income earner. Petersfield has 20% more Higher and Intermediate managerial, administrative or professional households than the national average. The population of Petersfield as a whole, is older than the national average. The population of Petersfield is also older than the Hampshire average. Figures for Country of Birth for the residents of Petersfield show that Petersfield (in 2011) had a higher level of residents born in the UK than the national average and a lower rate of residents either born in other EU countries or outside the EU – in other words, it did not have a significant immigrant population.

Implications of the data: In the context of the proposed Festival Hall developments, these statistics and trends indicate

- Petersfield is relatively affluent. With an ageing population, there is bound to be more latent demand for a broader and richer arts and cultural offer, and disposable income to fund recreation and participation
- Petersfield and its District are growing. With the influence of new housing, it seems likely that, whilst the overall number of far older residents is set to increase, more differently-aged people, types of family, nationalities and cultures will provide further opportunities for a programme of broader appeal presented in surroundings that match contemporary customer expectations
- Petersfield people are well-educated. Typically, this indicates a broader arts and cultural ‘vocabulary’ as well; if this development can provide a more local and convenient alternative to some of the product on offer in Hampshire’s cities and larger towns, it could create a strong niche that has broad appeal whilst also focusing on quality

DRIVER 3 – POPULATION GROWTH

At least two significant issues concerning Petersfield’s future must also influence any plans arising from this review, namely

I the targets for new homes and population growth predict substantial growth in homes in the Town (some 700 new homes)

Ii Petersfield’s demographics may change as a result of the growth, and there will have to be development of a concomitant arts, entertainment and cultural offer to meet broader wants and needs. If development of that offer is delayed or ignored, the Festival Hall complex (and the PTC’s support of it to date) is immediately at risk and the levels of investment required may snowball until they become prohibitive.

Our impressions of PTC's ambitions for Petersfield are that they recognise the critical contribution arts and culture already make to the Town and environs, but also see the potential for far wider engagement that would deliver better value and a better future for all residents, placing arts and culture at the centre of the community, local economic development, place-making, new housing and communities, education and skills.

Our view is that the Festival Hall can provide a cultural focus for Petersfield and the District, but it will require thought and more investment going forward to respond to the commercial opportunities it can effectively address. The Town Council, by retaining control of the Festival Hall, can directly affect the quality of the local environment and local living, and, taken overall, the Festival Hall can also help make an important contribution to the area's economy by supporting cultural tourism and participation, provided it is supported to compete. We have examined the current level of Petersfield Town Council's subsidy for the Festival Hall against publicly available data (such as the Hazlitt, Maidstone) and our own (anonymised) data. Our conclusion is that the level of subsidy is in a middle range of national local authority subsidy comparators, with the potential for that subsidy to reduce.

DRIVER 4 – THE STRATEGIC CONTEXT

Petersfield has an important Neighbourhood Development Plan 2013 – 2028 (amended 2018) which makes some critical points in the context of an upgraded Festival Hall. We have relied heavily on this plan in developing the case for a developed programme and range of activities. It says

> *Petersfield is well provided for in most aspects of social and cultural infrastructure and enjoys a rich mix of popular cultural events such as the regular seasonal festivals, a music festival, beer festival as well as a constant stream of theatrical productions. The Petersfield Community Centre, Festival Hall and other smaller community halls and buildings offer spaces for the range of community groups operating in Petersfield. Petersfield also benefits from a public library, mobile libraries, post office, local museum and the Flora Twort gallery. Older generations are generally well catered for in terms of clubs and societies; however, there is a shortage of provision of facilities for young people. The town has a number of active religious groups which are jointly represented by the Petersfield Area Churches Together (PACT) organisation.*

Our view of this statement is that it highlights the current 'hall for hire' status of the Festival Hall, but also underlines the importance of the respected, annual music festival and a lack of resources for younger people, further defined here: "*More should be done to help the 13-16 year olds socially (provision of activities and facilities)* and in the critical statement that *"There is also a need to mitigate against the current decline in provision of youth services".*

The Development Plan's ambition that *"The Festival Hall should be used entirely for community related uses"* is right and proper in intent. However, a balance between activities that favour community activities (through prioritising them, or offering favourable rates, for example) needs to be balanced with events which, whilst they might be for parts of the community (including local businesses) have the potential to raise revenue – this is essential for a modern facility.

The objective CO1 commits Petersfield to "*Ensure an adequate provision and mix of community facilities to support the diverse range of users in Petersfield".* This a helpful indicator of the path not only for buildings development but also for <u>programme</u> development as explored in this document, as is the following; *"A common theme amongst community feedback in the October 2013 options event was for a request for a central community hub that could provide a venue capable of accommodating a variety of large events (approximately 500 people). Meeting this need will become crucial as the population of the town increases."* Housing targets and consequent population increase represents challenges for many local authorities with whom we work. Critically, they are clearer now that the need for arts and cultural provision for increasing populations of more varied ages, cultures and so on will grow and develop, so that communities can be happier and healthier, taking pride and interest in their local communities and feeling that they are receiving value from their local authorities.

The Plan notes that

> *This is a community site. However, the western part is a priority for enhancement with scope for careful mixed use (residential/employment) as shown in section 11.5.5 of this Plan. Any development of this site must respect the current status and possible future development of the Festival Hall as a performance venue, as well as enhancing the overall character of the area. This area is also considered to be a suitable location for a town-centre hotel*

This is important. There have been many cases over the last few years of venues facing restrictions or closures when residential housing is created nearby, and 'incoming' residents raise objections (to noise, to noisy customers, to light, to deliveries / get-ins and so on).

The plan states that *"Planning permission will be granted for a new Community Centre within Love Lane Recreation Area which will include facilities suitable for young people".* It seems desirable to us that a developed Festival Hall's activity should complement this: there is a clear need for liaison.

We have also noted that the plan says

> *"Community Policy 3 (CP3) Overall increase of community and education facility provision. New residential developments of the sites allocated in Policy H1 will be expected to provide community facilities appropriate to the scale of the development to meet the needs created by the development or to make a financial contribution to the enhancement of existing facilities. Development which results in the loss of a community facility will only be permitted where it can be demonstrated that alternative facilities of equal or better quality and quantity can be provided in an equally accessible location in the Petersfield area. The new provision must be available for use prior to the loss of existing provision"*

This indicates to us that there might be potential for Section 106 (or CIL) contributions for the planned development of the Festival Hall. We have worked on a number of successful Section 106 projects (including brand new venues) and recommend this is explored further: there has already been some discussion of funds from the Larcombe Road development (iro £130k), for example.

The plan notes the need to *[Business Policy 3 (BP3)] "Encourage businesses to come to Petersfield Proposals for new business development especially small-scale flexible office units and affordable workshops will be approved in appropriate locations subject to compliance with other relevant policies in this Plan and the East Hampshire District Local Plan: Joint Core Strategy".* This is another helpful indicator for developments at the Festival Hall: typically, small and medium enterprises do not have their own facilities for larger meetings and catered conferencing – real opportunities for an enhanced Festival Hall operation. Likewise, *"Business Policy 6 (BP6) Support small creative businesses requiring workshop space Proposals for the provision of small units to support affordable workshop space suitable for small businesses (trades/crafts/social enterprises etc) will be approved, particularly within walking distance of the town centre, and should be appropriate to their immediate context".*

The Plan estimates that many people visit Petersfield for leisure activities and to enjoy its cultural and built heritage (3.5m day trips to the area annually). It says "The majority of visitors to the town centre shops come 2-5 times per week. The main competition is from Chichester, Portsmouth / Southsea and Southampton." The Plan also states that "Petersfield's historic centre attracts visitors to enjoy food and drink in attractive and pleasant surroundings. The town is well equipped with pubs, restaurants and cafes, many of which now offer outdoor seating around the Market Square. Festivals, events and specialist markets have helped to promote the concept and the Market Square has proved a great asset to the town which has assisted and improved its retail offer. There are seven pubs, which also serve food, within the town plus many more in the surrounding villages. There is a good mix of quality restaurants as well as numerous cafés and coffee shops. The night-time economy is important with an increased number of restaurants and the popularity of town-centre pubs. There is no evidence to suggest that there is an unfulfilled need at present." This is significant because it indicates a strong latent market for new customers, but also a highly competitive environment in the context of eating and drinking choices.

The Plan says that "Residents also stated they would like to have a small permanent cinema. Unfortunately, the old 1930's building that housed Petersfield's cinema in Swan Street became a nightclub before being demolished to make way for housing/retail (My Local). The development of a small cinema in a converted building in the centre should be encouraged." There is certainly a latent market for one occasional main (and two further, occasional, smaller) screening / streaming facilities at the Festival Hall.

The Plan (rightly) states that "Visitors spend money which will lead to increased prosperity for the area and bring additional employment. It is imperative for the town that this increase in visitor numbers, both staying visitors and day trippers, is developed to the full and the town's availability as an accommodation and holiday centre is maximised." As well as contributing to more and longer visitor stays, it is also now accepted that arts and culture are demonstrable economic multipliers (and we have gone into detail on this elsewhere in this document). We also agree with the Plan's message that "The community felt very strongly that Petersfield does not sell itself particularly well as a key town within the South Downs. It was also felt that tourist facilities were limited and could be significantly expanded." Marketing for the Festival Hall operation and the Town overall is very low-key at present and does not exploit social media to great effect.

The Plan stresses the need to "Provide a new and expanded tourist hub" and states that "Planning permission will be granted for the conversion of an existing building within the town centre, including the former police station, for use as an expanded heritage, cultural and visitor information centre." The exiting development plans include just such a centre within the Halls complex.

DRIVER 5 – THE ARTS AND CULTURAL INDUSTRIES (2019)

Nationally, the creative industries are the fastest growing sector of the economy, but arts funding remains problematic at national levels. Central Government funding cuts have put extra pressure on local authorities, trusts, foundations and other cultural funding sources. Arts and Culture are not seen as priority areas for post-austerity correction, so the situation will not change for the better in the short term. Audience attendance figures continue to improve in the South-East, however, with the revitalisation of cinema slowing but continuing. Customers in general are committing more of their regular spending to experiences and combined activities (for example, food and beverage combined with a theatre performance at the same destination).

If the Festival Hall were to continue as it is, it will – in time – fail. The existing offers will appear to be poorer over time, especially in comparison with other venues. It is essential to be developing more and better revenue streams (through a new food and beverage offer, for example) or even a 'standstill' financial position will be expensive and difficult to maintain. Venues need to match changes to customer expectations (of theatre spaces, for example) or they will fail.

Regionally, England's local authorities are continuing to cut their culture budgets, with the amount allocated to culture last year 2.2% lower than the previous year. The £8.8m budget cuts for 2018/19 extend the ongoing decline in councils' cultural spending, which has fallen by roughly £48m over the past six years. The figures, revealed in data on local authority revenue budgets for 2018/19, show that several large councils have cut their culture budgets entirely. This does not necessarily mean they have turned their backs on the arts. Some have transferred responsibility for culture to an independent entity, while others are balancing their budgets with raised income. A few that once allocated money for the arts now plan to turn a profit from cultural activities. West Sussex cut its culture budget from £162k to zero, as has Cumbria, which formerly allocated £121k to culture. West Sussex explained that in place of this funding is support for a wider match funding scheme for crowdfunded projects, many of which, that council says, have a culture element. *(Arts Professional).* Eight local authorities were expecting to make money from culture last year, of which five switched from budgeting for a net spend on culture six years ago to anticipating a net income.

Locally, Petersfield Town Council is committed to furthering its reputation as a Council committed to improving life for its residents, including extending access to quality arts and cultural provision, and all in line with the Petersfield Neighbourhood Development Plan (see below).

"Culture is integral to the identity of local areas up and down the country and has the potential to transform a place" *(Culture White Paper, DCMS, 2016)*

Product and Capacities: One outcome of the poor funding support for the arts over recent years has been a shortage of arts and cultural 'product' (quality, original theatre, touring exhibitions, concert opportunities and so on). However, in this context (a theatre with a seating capacity of around 400 seated, 750 standing, a studio of around 80 seated, Rose Room and Rooms 1 and 2 seating up to 120 but without stages) there are some positive pointers towards development, including

- The current scale of theatre programming (small-scale / 1-400 and medium-scale / 400 – 800) is well-served at present and this is projected to continue (the Festival Hall is 400 seats / 750 standing)
- Smaller companies are constantly being created by young artistes, and designed to tour to smaller venues, with or without subsidy
- Smaller-scale theatre often survives with limited subsidy or on project funding (which is now more widely available). These types of product very rarely need venues with more than 300 seats, given that they are often new or not so well-known
- The availability of other commercial performing arts product at small-scale and medium-scale is currently very limited (and it struggles to create revenue). However, there are artforms and activities where it is available, such as classical and world music, jazz and folk, spoken word: poetry, storytelling, book tours and so on

Larger-scale commercial productions look for venues with 600+ seats in most cases. Availability of this product is directly affected by the promoters' perceptions of the audience catchment areas of the venue and the other venues within that catchment. The commercial catchment area is usually much larger than other sectors and may be enforced by embargos.

A very significant increase in audience capacity for the Festival Hall would require a major redevelopment. As well as buildings and planning issues, that would prove extremely costly, could risk losing the very special character of the existing complex and bring the venue towards significantly greater competition with other venues. The prospect of raising high levels of capital funding (say, £25m+) is extremely limited in the current climate and in this context, in our view.

DRIVER 6 – THE OPPORTUNITIES AND THE BUILDINGS

It is surely the right time for the Festival Hall to benefit from a significant refurbishment. Some external and internal wear and tear is now evident. Customer expectations (especially with regards to theatre/cinema, but also general décor, comfort, adequate and accessible cloakroom and toilet provision, theatre seats, public areas and so on) are higher now than ever before, and this is a perfect opportunity to invest in the Festival Hall's future in these contexts. Failure to do so will strengthen the case for any competitor, local or regional, in theatre, film, music recital and even community uses and hires.

Conventional theatres can face operational difficulties if their buildings consist only of a main auditorium, foyer, café/bar plus support facilities. This 'traditional' configuration can limit the types of programmes they can present – certain presentations in drama, dance, music and film, for example. This, in turn, can dictate the types of audiences they can attract (often failing to engage with younger people) and limit daytime uses. These factors taken together are bound eventually to constrict theatres' abilities to create revenue-generating streams from catering and hires (of space) particularly.

The Festival Hall is one example of those described above. A theatre of its period (with subsequent upgrades) it has a main auditorium, a foyer, some general use rooms, support facilities and so on. Most of the Festival Hall complex is generally in fair condition, reasonably well maintained and well-liked by users and audiences. However, its location leaves it slightly separated from the Town Centre and it may present a rather austere external appearance as approached. The extension is in very poor condition.

The auditorium is reasonably well-equipped. There is no café or similar (this is partly due to the economics of the low-level daytime operation of the building overall). The bar is inadequate: it cannot meet the demands of a full-house interval audience (speed, volume, efficiency). The Festival Hall currently has no significant or particularly attractive 'secondary' spaces (such as studio, meeting rooms, activity spaces). All these factors reduce the Festival Hall's capacity for additional earned income.

B5 COSTED DEVELOPMENT OPTIONS (AND OUR RECOMMENDED OPTION)

OVERVIEW

We have considered development options for the Festival Hall complex as

- Do nothing
- Minimal refurbishment with low-level programme and staffing changes
- Significant refurbishment with medium-level programme and staffing changes
- Significant refurbishment with high-level programme and staffing changes

Whilst Foster Wilson Architects have already assessed some of these options from a buildings point of view, our emphasis is on how changes to buildings (or not) can (or cannot) support programme changes. Whilst a direct comparison between the potential of the existing building and programme and the potential for the developed building and programme is not solely an additive or reductive calculation, we believe we have used a unique mix of knowledge of other venues and financial plans where we have them (anonymised, of course) and combined them with some of the detailed knowledge we now have of the local context for the Festival Hall. For more information on how we have adjusted our financial estimates per scenario, please see **Appendix D2**.

DO NOTHING

This option will inevitably lead to the Festival Hall's demise as a community facility over time. Not only will it steadily become less attractive, it will become non-compliant (either through physical deterioration or changes to legislation). In this scenario, we have envisaged that nothing (other than critical repairs) is done to the Festival hall complex. No additional studio space will be added, public areas will not be improved or extended, and no additional spaces will be available for hire or other use. The complex will not be more conspicuously promoted.

This scenario would not support the Town Council's Mission or Strategies for Petersfield. Nor would the complex become more likely to move on from its need for recurrent funding. Petersfield would not be supported to become a destination 'of choice' for existing and potential residents. The value of capital works to date would be reduced (and might be seen to be so) and the Town Council could be viewed as a public sector body effectively restricting access. There would be no additional value or benefit created (social or economic):

CAPITAL ESTIMATE	REVENUE ESTIMATE
Original (Full Scheme Cost)	**Full Programme Growth (Turnover Year 5 – first full year of operation)**
£8,300,000	**£1,260,259**
This Option	**This Option (Turnover)**
£83,000 (1%)	**£542,196 (Turnover as Year 1 plus 0% of full programme growth as above)**

MINIMAL REFURBISHMENT WITH LOW–LEVEL PROGRAMME AND STAFFING CHANGES

This scenario considers some refurbishment (redecorations, light re-modelling and so on) with some enhancement to marketing and sales activities and modest development of the main space programme and some support activities. Some additional income could be generated if there is investment in staff and marketing and an increase in the annual number of events:

CAPITAL ESTIMATE	REVENUE ESTIMATE
Original (Full Scheme Cost)	**Full Programme Growth (Turnover Year 5 – first full year of operation)**
£8,300,000	**£1,260,259**
This Option	**This Option (Turnover)**
£2,075,000 (25%)	**£668,222 (Turnover as Year 1 plus 10% of full programme growth as above)**

SIGNIFICANT REFURBISHMENT WITH MEDIUM–LEVEL PROGRAMME AND STAFFING CHANGES

As above, and we have minimised some high- and medium-risk aspects of the full programme (as below) to focus on revenue-generation (rather than focusing on some of the community and cultural aspects of provision in and around Petersfield):

CAPITAL ESTIMATE	REVENUE ESTIMATE
Original (Full Scheme Cost)	**Full Programme Growth (Turnover Year 5 – first full year of operation)**
£8,300,000	**£1,260,259**
This Option	**This Option (Turnover)**
£8,300,000 (100%)	**£794,248 (Turnover as Year 1 plus 20% of full programme growth as above)**

SIGNIFICANT REFURBISHMENT WITH HIGH–LEVEL PROGRAMME AND STAFFING CHANGES

This scenario assumes that Foster Wilson's concept estimate is accurate and accepted in full, making possible a significant expansion of the programme (including a new 'studio'-type space in the Small Hall) that would see a wide range of opportunities for local people and businesses within a vibrant community resource that maintains its local links and activities alongside more professional activities and events than at present:

CAPITAL ESTIMATE	REVENUE ESTIMATE
Original (Full Scheme Cost)	**Full Programme Growth (Turnover Year 5 – first full year of operation)**
£8,300,000	**£1,260,259**

RECOMMENDED DEVELOPMENT OPTION

This last scenario, in our view, offers best value as a viable sum of all the parts. To some extent this is an issue of scale, where more activity itself encourages more activity in a 'virtuous circle'. Accessible, flexible spaces are at the heart of this (in retail, for example, the busiest places in shopping centres are more often the circulation and gathering places than the shops themselves). The most significant aspect of this option is that we believe it delivers best social and financial value for all stakeholders. We have therefore explored this option in the detail that follows.

C. Exploring the Recommended Option

C1 DEVELOPING THE PROGRAMME

ARTISTIC POLICY

An artistic policy is not an 'add-on': it is fundamental. The characteristics of the Festival Hall operation should reflect notions that have been explored in more detail with actual and potential stakeholders at the next stages of this development. To focus on some of the elements we propose here, the new programme will focus on some revenue-generating and some cost-neutral or subsidised events in:

MUSIC

Net profitable; low-medium risk because some programme already established but development will address some new markets

The renowned Petersfield Music Festival is an excellent 'staple' around which to start building a new music programme. Opportunities for Festival-linked events before and after the Festival proper should be explored, alongside more Festival education and outreach and the flexibility for more events in the Festival Hall complex throughout the Festival itself. Clearly, there is a platform for some additional, classical music, but also for newer music forms.

As a 'popular' development of the programme some tribute band shows would help revenues. These events (which should not be allowed to over-saturate the programme) are affordable and sometimes bring a strong following, so should form a measured section of the programme mix. The programme should also, gradually introduce more original popular music with up-and-coming bands and (by using the new studio space) develop and support local bands (especially young bands) with occasional showcase events in the main theatre. Classical and world music could feature significantly in the new programme, and the profile of Petersfield suggests there is a potential audience for these genres. We also propose gradually to introduce some 'tester' events such piano recitals of well-known pieces and small chamber orchestra concerts (such as those by the London Mozart Players). In addition to the occasional jazz concerts, informal jazz Sundays (using more local bands, if possible) could be presented in the re-modelled / acoustically treated foyer, with food and drink available.

FILM

Net profitable; low risk because of existing programme, customer-expressed interest in broader programme, continued growth in cinema ticket sales, comparatively low running costs and successful examples elsewhere

The UK independent cinema market is flourishing, and we have provided evidence of (and information about) this in **Appendix D7.** The current film programme (promoted by the Town Council as 'The New Savoy Cinema') appears well-run and successful. The programme could be extended to include more popular, children's and family screenings. In due course, the Festival Hall should consider contracting one or more specialist film programmers to support the development of new film programmes including themed seasons, films linked to other parts of the programme, specific children's programming and possible “Festival sessions” with other events such as talks and discussions using the additional studio space. A new bar and catering operation will help to support the finances behind programming more adventurous screenings. Both the main space and studio space should be available for private hire (for parties, launch screenings and so on) as well as more minority (‘art-house’) interest films. The Festival hall should consider joining the ICO (Independent Cinema Office). Access to specific, cinema-based data relating to the performance and challenges for independents in the context of boutique and large chains will be important to programme planning.

It is worth noting that, in some cases, film distributors impose embargoes on which venues can show a film within a certain boundary at a certain time (e.g. new releases). Overall, the industry is more commercially focused and less dependent upon the gentlewomen’s / gentlemen’s agreements of the past. Nevertheless, the single venue independents (such as the New Savoy) now form a significant section of distributor markets, and distributors tend to respect this, also appreciating that ‘true’ independents are often very resilient, long-term customers.

The New Savoy Cinema will need to distinguish itself from other independent chains to survive and thrive, and the growing independent market has not gone unnoticed by the multiplex operators. Perhaps the right niche for the New Savoy Cinema is that of a “neighbourhood cinema” (like Picturehouse): avoid upmarket multiplex competition (big, shiny leather seats) and go for being comfortable, part of the neighbourhood, with nice food and drink and a programme of depth and range. One challenge is to stay busy during the summer blockbuster period, and a focus on mainstream at that time might support the Festival Hall in achieving a better overall balance of admissions throughout the calendar year.

THEATRE (INCLUDING VARIETY EVENTS SUCH AS ‘AN EVENING WITH’, READINGS/SIGNINGS)

Net profitable; low risk based on current operation and successful models elsewhere, which include more ambitious programming

Overall, it is essential to hold on to the very particular ambience of the Festival Hall (as reported anecdotally and in more formal meetings throughout the study process). The mainstay of the theatre programme should be a mix of popular small- to middle-scale touring productions from both commercial and subsidised producers. This should include contemporary and classic drama and dance, children’s theatre and one person shows including “an evening with” -style presentations. Comedy evenings should also become a strong element of the future programme. The theatre will continue to be promoted to local groups and organisations to encourage them to present their main productions at the Festival Hall.

Once new areas of operation are secured (bar and catering, hire income and so on) there should be a gradual introduction of more ambitious theatre productions with better-known actors or better-known plays. Some of these shows will cost significantly more than can be redeemed from box office receipts and should therefore be viewed as being cross subsidised across the overall operation by other, more popular shows and events and by offsetting the bar and catering income directly associated with them. In addition to their direct impact as high quality shows they will also help to raise the profile and positive views of the Festival Hall operation in the local community and further afield. Once such shows are established within the programme, producers will begin to offer more of them. It may be possible in the longer-term to create a special relationship with one of the touring companies (such as Flintlock Theatre: their 2018 production “An Enemy of the People”, or Hoi Polloi Theatre) to receive all their shows, even preparing and rehearsing some of them in the theatre.

Youth Theatre: cost neutral – may require cross-subsidy; low-medium risk because it is established, will generate own revenues and there are successful examples elsewhere to replicate, but this is a new development and will require investment in expertise and marketing (and time to develop)

An extended Festival Hall youth theatre programme should be established, both to contribute to the theatre's finances and to be integrated into the overall programme. The additional studio space proposed will allow for expansion and for activities to be run simultaneously with different age groups. This represents a very exciting opportunity for young people at the Festival Hall. This programme could support the funding of delivery specialists (such as a youth theatre leader, visiting specialists, guest workshop leaders / directors and so on). There are many examples regionally and nationally of youth operations that generate important operating revenues through subscriptions, donations, grants, ticket income and special events (such as summer schools).

LITERATURE

Cost neutral – may require cross-subsidy; medium-high risk because, whilst it can generate revenues (and there are successful examples elsewhere to replicate) this is a new development and will require investment in expertise and marketing (and time to develop)

Literature occupies a unique position in our cultural ecology. According to Arts Council England "Of all the art forms we encounter over our lifetimes, literature comes first (in the form of bedtime stories and fairy tales), penetrates furthest (via schools and libraries, three-for-two offers in Waterstones and e-books downloaded in seconds onto handheld devices), and possesses the power to transport us into other worlds without requiring us to leave our seats"(from ACE's National Portfolio document on literature, 2018-2022).

The Festival Hall programme should include writers' readings (literature, poetry), interviews, writing workshops, storytelling and celebrity autobiography and biography presentations. Annual events could include a children's writing competition and a modest festival (timed to run up to one of the Country's more significant literary festivals). There are significant opportunities for education and outreach across this part of the programme.

COMMUNITY EVENTS AND COMMUNITY-BASED MEETINGS

Net profitable, some activities may require cross-subsidy for community-focused activities; multi-purpose spaces are low risk because (even though they require promoting) they can be operated at low cost, have proved extremely popular elsewhere and there is no direct competition locally; the all-day programme is low-medium risk because it will require front-end investment, strong marketing and promotion and gradual changes to perceptions and behaviours; however, there appear to be untapped markets and any increase in usage has the potential for creating additional value for the Festival hall operation – by cross- and up-selling, for example

The additional multi-purpose space proposed can serve communities and create revenue from hires by a wide range of organisations (voluntary and public sectors, private sector businesses) for meetings, training sessions, small conferences, product launches, planning days, education/information meetings and so on. A specific marketing programme should be created to address these opportunities and the proposed Marketing and Outreach Manager will be key to promoting and realising the opportunities created.

Developing the 'all-day' offer can work with the addition of a flexible space, because there are potential daytime users nearby that might bring revenue. The market for letting spaces / hires has great potential: in 2018, 8,422 companies were registered in Hampshire. There are 4549 charities registered in the County. Small and medium enterprises and charities usually do not have access to meeting rooms, training facilities and so on. Even larger companies have need of both large and small meeting places, for planning meetings, conferences, product launches and so on. The Festival Hall currently has Town, District and County Councils within its County, as well as the wider public sector – police, NHS, adult care services, education and so on. There are many more voluntary groups in all likelihood that are not registered (such as playgroups, women's and men's groups, music, disability, horticulture, medical and health).

These market opportunities will be best supported by a sliding scale of charges, according to locale, means, appropriacy, former relationship, encouraging access and inclusion (for international and minority arts, for example) and so on. There are many examples nationally of this approach to pricing.

A DIGITAL HUB FOR COMPUTER GAMING

May require cross-subsidy at start, then cost-neutral then net profitable; medium-risk because this is a wholly new area of programme but there are some successful examples elsewhere, digital partner should be supporting any capital investment required and new customers will be encouraged to the Festival Hall complex

The Festival Hall should plan to become a centre for digital learning, creativity and entertainment. Working with a digital media partner and using the new studio space in particular, the development should offer four main opportunities:

- Stand-alone, temporary (and regularly changing) displays of the digital media (gaming) partner's work, digital collateral, icons and branded products
- Education and Outreach activities in a gaming room environment; bringing on the next generation of local coders, creatives and programmers
- Joint creative and learning projects to help provide a 'broader lens' of games in education
- Establishing the area's first regular E-Sports space

"E-sports" (or "Esports") loosely describes groups of people coming together in an equipped space to participate in competitive individual and team gaming, training/learning and product testing. However, this can also extend to more creative learning (and professional training) opportunities in coding, drawing, composing, marketing in the digital entertainment space and so on. It is usual that e-sport events take place in temporarily modified settings (large and small) rather than full-time, dedicated facilities, and this could be the case at The Festival Hall. There are also formal learning opportunities in this field now, in other parts of the UK. A gaming partner (such as Eurocom) could support with hardware, the Festival Hall with education and outreach activities, organisation and supervision, creative (healthy) food and beverage offers and so on

The original model for esports was in Nottingham (now in Sheffield) and has been very successful. There is also a good model at Leicester Haymarket, but this is not likely to remain such an 'open goal' opportunity for Petersfield for much longer. In the new development, one or more spaces will be identified as being suitably 'de-mountable' as e-gaming spaces (they can be cleared, equipment can be brought in, they can be safe and secure, they can easily be restored to other uses).

A commercial partner (again, such as Eurocom) could be invited to contribute product, equipment and presenters / educators, to help create a regular schedule of individual and team league gaming, testing of new digital products and learnings around the creative and technical skills required by this growing, trillion-pound industry. It might also be the case that, with a commercial partner and access to space and equipment, some of the activities could be promoted and supported by the Town's other learning providers (at school and FE levels, for example).

ANNUAL PANTOMIME

Net profitable; low risk because of existing programme, potential for growth / longer season and enduring community interest in the form.

We have assumed that pantomime will continue to be an annual feature of the programme. Pantomime, in almost all contexts, is popular and commercially low-risk. The season might be extended in due course. With in-house catering and bar provision, the menu, merchandise and bar stock can be themed to the show; also, confectionery, ices and other sales can be very profitable for the Festival Hall operation.

MUSICAL THEATRE AND LIGHT OPERA (INCLUDING ARTS HIRES BY AMATEUR COMPANIES)

Net profitable; low risk for existing amateur programme, medium risk to growing the professional programme.

The existing involvement of local amateur organisations in hiring the Hall to present their own drama, musical theatre and light opera is likely to continue. Typically, these productions bring good audiences and the venue runs no risk. Today, there is also the potential to develop a professional part to this activity, not least because independent producers can now encourage the creation and distribution of smaller-scale productions to suit smaller venues.

VISUAL ARTS EXHIBITIONS AND DISPLAY

May require some cross-subsidy or cost neutral; low-medium risk even though this a relatively new area of programming, because our experience elsewhere is that local artists will use the 'right' opportunities for them when offered

New, accessible and public exhibition space will allow for the eventual development of a wide-ranging programme of exhibitions. Rather than leaving the requirements of 2D and 3D display as an 'afterthought' some requirements for effective display should be implemented as part of the buildings developments now being proposed (the means for professional standards of hanging, lighting, labelling, projection and so on).

Opportunities for local artists and groups to exhibit should be part of this development, with a further invitation to more professional artists and craftspeople (our experience in comparable localities suggests there will be a significant number of them in the immediate area). An open space with minimal supervision can limit what can be left on display to some extent, but a group of volunteer invigilators could be brought together and supported to help attract and safeguard higher-value exhibitions and displays.

An effective public space may well develop sales of work and the venue's commission from them. Themed exhibitions that link across other aspects of the programme and other local events should also be possible. Sales of art and artefacts can be lucrative (artists' open houses demonstrate this every year in the Brighton Festival). A renovated Festival Hall could offer one or more display opportunities and sales points. Some of the work presented might be local, regional or national, whilst some might be very local and/or linked with a theme or themes (such as the Music Festival, the Festival Hall 'brand' and so on). The Festival Hall could commission and sell its own artefacts.

WORKSHOPS AND LEARNING

Net profitable classes to be offset against classes requiring subsidy; medium risk because this is a significant programme development, but investment can be minimised, unpopular programmes substituted with other activities, there are many successful examples elsewhere and some leaders create / bring their own participants.

The Festival Hall will introduce a new, year-round programme of participatory workshop and classes in a range of art forms. Using the new, flexible spaces, the gradual introduction of these will target a range of groups across the whole community: from children's programmes through to specific activities for older people and people of all ages with disabilities.

Initially, these programmes might be delivered by existing local groups, artists and organisations, including educational bodies such as the local Further Education providers, U3A and WEA, who would hire the spaces. Key gaps can then be programmed directly by the Festival Hall team.

The programmes might include children's arts and crafts, family multi-activity workshops, dance workshops and classes (ballroom, ballet, jazz, tap, contemporary, fitness), drawing and painting for all ages, simple print-making, music group workshops (any combination of instruments), singing for beginners/ scratch choir, writing and poetry and theatre workshops for a range of age groups. There might also be courses in yoga, dancercise, basic exercise, computer skills, photography and film making, for example. In addition to regular workshops and classes there will be one-off events and activities associated with other themes in the programme (such as mask-making by a visiting theatre company, an 'Introducing Mozart' presentation by a visiting pianist).

FAIRS AND SALES

Net profitable; low risk.

The Festival Hall already has some history of hosting fairs and sales for hiring customers. This should continue and could be developed through positive external marketing and promotion, and through developing its own fairs and sales. The preferred building option for the Festival Hall development prioritised the flexibility for a flat floor option: critical to these activities and *(de facto*) a selling point.

PRIVATE HIRES (FUNCTIONS)

Net profitable; medium risk because active promotion required and likely competition with other multi-purpose rooms / spaces in the area.

All new spaces should be available for private hire (such as weddings or parties) with events running across more than one space. As policy, the Festival Hall operation should commit to a flexible approach to programming so that such revenue-generating activities can be accommodated (it can be helpful to set broad time targets for revenue-generating activities and for 'discounted' or subsidised activities for the year, to maintain commercial balance.

CORPORATE HIRES (MEETINGS, TRAINING, CONFERENCES)

Net profitable; medium risk because there is little or no similar activity currently and the broad market is crowded and competitive, but the offer can be enhanced with a good food and beverage offer – in-house or procured.

Conferencing, hires and banqueting can and must represent very significant income streams. The conferencing and banqueting market is not an easy one to address or serve: almost all venues (and hotels, bars, cafes) have these events in mind as additional revenue streams, and the activities can restrict other arts and entertainment activities. Nevertheless, our experience from other projects suggests this can and should be a focus for success (and not simply an 'add-on'), because Petersfield lacks conferencing space at this scale.

Even in a crowded marketplace, there are always 'pinch points' throughout the year that can be exploited, especially with a strong supporting food and beverage offer (and meeting / conference or other event catering can be far more profitable than café-restaurant operations).

PROFESSIONAL HIRES (TRAINERS AND LEADERS OFFERING SERVICES)

Net profitable; low risk provided pricing is competitive.

There are professional tutors, trainers and instructors content to pay reasonable rates for high quality spaces in which they can work. It will be important that the merits of the refurbished Halls operation are well publicised. Such activities can be an excellent way to enhance daytime operation and they often bring new participants to a venue. Rates should be reasonable, but also transparent, and there will be a need for rigour in distinguishing commercial activities from more community-oriented activities (for example, Weight Watchers – now 'WW' – is a for-profit organisation, however well it might support community health and wellbeing).

FOOD AND BEVERAGE

We believe that the Festival Hall complex should develop a food and beverage offer (whose delivery might include other local suppliers) that is flexible and attractive according to the venue activities and customer groups, can be 'themed' when appropriate, can adapt to changing tastes and different requirements and can support corporate and private functions

Catering is high risk because some successful catering operations in similar contexts have been difficult to establish and manage, operating costs may need front-loading and profits can prove elusive, especially as service times are extended for new markets – there are currently challenges in this market nationally. Bar and Trading are low risk because of the activities planned, potential for growth [which can be self-funded] and substantial evidence from other venues and outlets

A limited café operation could aim at providing a social and community hub – a good reason to come, stay and spend at The Festival Hall complex. Operated in-house, the daytime provision could range from breakfasts to light lunches, with a modest offering throughout the pre-show period. During shows / events a bar and confectionery offer would be promoted, including opportunities to return to the bar following an evening event.

Food and beverage revenues offer one of the best potential income streams for a revitalised Festival Hall, although Petersfield represents a competitive marketplace for this provision. The food offer should be one that is aligned with some of the better offers in the Town, but not with the more exclusive offers (because price and perception could too easily drive customers away to something they feel more comfortable with). Beverages need to reflect contemporary consumer cosmopolitanism (basic public house offering – including draughts – but also craft beers, speciality spirits, local makers and so on) and – in practical terms – offer easy purchase at all times, including event intervals (the Brighton Dome model is an excellent example: very long bar, staffed-up for intervals and more than able to meet demand: this represents revenue). The Festival Hall will need a catering offer that is flexible, appealing to a variety of customers, commercially worthwhile and forward-looking.

The current lack of catering and bar offers does not reflect contemporary customer expectations of an arts building, theatre or cinema. The catering offer can help to attract more daytime use, provided it is supported by daytime programming of events and activities by the Festival Hall. There may also be scope for another trading outlet (for example, a small kiosk or mobile unit with more confectionery such as popcorn and ices). There is potential in specific pre-show provision for people who might be coming straight from work or might like to extend their evening experience. There is also scope for a post-show bar provision (perhaps with a light catering offer) and this is a very common request in questionnaires in comparable contexts.

We also recommend that a more detailed study of food and beverage development options is undertaken when possible. It is not for this document to specify the 'best' new arrangements for food and beverage, but our experience elsewhere suggests that an integrated food and beverage offer and delivery that is managed in-house (even if there are some external supplier-partners) would create the best environment for management, revenue-generation and financial controls.

C2 BRINGING THE PROGRAMME IN (AND MILESTONES ALREADY ACHIEVED)

We have considered the following priorities (previously listed in the Executive Summary) as well as the needs to introduce different programme developments gradually (according to risk, profitability and investment requirements, for example) and actions already underway. Our current estimate of workstreams and timings is:

YEAR -1												
Year	**-1**											
Month	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
Work Stream												
Introduce new charges												
Put new project management support structure in place												
Develop Vision, Mission, Objectives and Artistic Policy												
Manage the construction streams all together												
Raise additional funds from alternative sources												

Provide opportunities for staff to develop new competencies and contacts												
Recruit key posts												
Raise awareness about the imminent programme developments												
Develop producer, partner, artist and venue networks												
Build and maintain a significant volunteer network												
Experiment with parts of the new programme within the existing facilities (music, film, theatre and musical theatre)												
Identify a small number of key arts and cultural partners for long-term project planning and fundraising												

YEAR 0												
Year	0											
Month	1	2	3	4	5	6	7	8	9	10	11	12
Work Stream												
Manage the construction streams all together												
Raise additional funds from alternative sources												
Provide opportunities for staff to develop new competencies and contacts												
Recruit key posts												
Raise awareness about the imminent programme developments												
Develop producer, partner, artist and venue networks												
Build and maintain a significant volunteer network												
Experiment with parts of the new programme within the existing facilities (music, film, theatre and musical theatre; literature)												
Identify a small number of key arts and cultural partners for long-term project planning and fundraising												

YEAR +1												
Year	+1											
Month	1	2	3	4	5	6	7	8	9	10	11	12
Work Stream												
Manage the construction streams all together												
Raise additional funds from alternative sources												
Provide opportunities for staff to develop new competencies and contacts												

Recruit key posts												
Raise awareness about the imminent programme developments												
Build and maintain a significant volunteer network												
Experiment with parts of the new programme (music, film, theatre and musical theatre, literature, youth theatre)												
Identify a small number of key arts and cultural partners for long-term project planning and fundraising												

YEAR +2												
Year	**+2**											
Month	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
Work Stream												
Manage the construction streams all together												
Raise additional funds from alternative sources												
Recruit key posts												
Raise awareness about the imminent programme developments												
Build and maintain a significant volunteer network												
Experiment with parts of the new programme (community events, computer-based gaming)												
Identify a small number of key arts and cultural partners for long-term project planning and fundraising												

YEAR +3												
Year	**+3**											
Month	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
Work Stream												
Manage the construction streams all together												
Raise additional funds from alternative sources												
Recruit key posts												
Experiment with parts of the new programme (annual pantomime, visual arts and display, workshops and learning, fairs and sales)												
Identify a small number of key arts and cultural partners for long-term project planning and fundraising												

YEAR +4												
Year	+4											
Month	1	2	3	4	5	6	7	8	9	10	11	12
Work Stream												
Manage the construction streams all together												
Raise additional funds from alternative sources												
Experiment with parts of the new programme (private and corporate hires, catering)												
Identify a small number of key arts and cultural partners for long-term project planning and fundraising												

YEAR +5												
Year	+5											
Month	1	2	3	4	5	6	7	8	9	10	11	12
Work Stream												
Raise additional funds from alternative sources												
Experiment with parts of the new programme (professional hires to trainers and leaders)												
Identify a small number of key arts and cultural partners for long-term project planning and fundraising												

During the course of this study, Officers and Members of Petersfield Town Council have already begun working on some aspects of the operation, including new mission/ vision/ strategies for the complex, hire costs (review and strategy) and project management throughout a development period. Summary papers were produced and agreed for these and are presented in **Appendix D6.**

C3 CAPITAL FUNDRAISING

If the proposed developments for the Festival Hall complex are supported, a capital fundraising campaign should move forward quickly, based on raising the full amount for the completed project, equipment and set-up costs (including all fees) and other client costs.

A capital fundraising sub-group might be effective, and could bring together key stakeholders, local businesses (especially those with community obligations) and any other significant potential local or regional funders or influential individuals.

Only once a major local plan is in place can the Festival Hall start to approach national funders (including music-focused organisations) and launch a major crowd-funding campaign, for example. These approaches could include the potential for naming rights of each of the spaces (but not the whole site, we believe).

Amongst many others, approaches could be made to

- The Public Works Loan Board
- Major trusts and foundations with an interest in music, theatre, community development, young people, voluntary leadership and so on, including

    - Sainsbury Family Trusts (several different trusts, each with a special interest)
    - Foyes Foundation
    - Garfield Weston
    - Esmee Fairbairn
    - Jerwood Foundation
    - Clore Duffield Foundation

We recommend a mix of funding sources to support this work:

- Public Works Loan Board: this is probably the best source for capital (including working capital)
- Town Council reserves
- Other Trusts and Foundations: our experience is that there are often local organisations that can be approached, as well as the better-known trusts and foundations, LEPs and so on
- Crowd-funding and a project to raise funds from Nigh Net Worth Individuals (‘HNWI’s) could be important to complete the funding package.

We believe that the Public Works Loan Board (‘PWLB’) borrowing will be the most effective way to raise capital to expend on physical redevelopment of the Festival Hall venue. Our primary reason for this belief is that, following our work with the Town Council, we are sure that the Festival Hall complex can deliver better impact and value for all its stakeholders if it is improved and supported in order to do so. PWLB rates are very low and can be on a fixed or variable basis. The PWLB also allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Councils can receive the “certainty rate” discount of 0.2% on PWLB loans.

Other funding routes can (and should) continue to be explored, as additional or replacement, such as local authority loans and bank loans that may be available at more favourable rates.

The approved sources of long-term and short-term borrowing are

- Public Works Loan Board (PWLB) and any successor body (see Section 14, below)
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- any other UK public sector body
- UK public and private sector pension funds (except Suffolk County Council Pension Fund)
- capital market bond investors
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues*

*UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It plans to issue bonds on the capital markets and lend the proceeds to local authorities. This is likely to be a more complicated source of finance than the PWLB for two reasons:

- borrowing authorities are required to provide bond investors with a joint and several guarantee to refund their investment in the event that the Agency is unable to for any reason
- there can be a lead time of several months between committing to borrow and knowing the interest rate payable

C4 MARKETING AND AUDIENCE DEVELOPMENT

We are proposing a very substantial increase in overall marketing spend for a rejuvenated and developing/ Festival Halls complex, beginning as soon as commitment to this project (to construction) is confirmed. The first work commissioned should be a new marketing strategy and delivery plan.

The needs for more effective marketing and audience development will be particularly acute to support the proposed improvements (to programme and buildings) and we trust that the new post proposed (as above) will have a key role in this.

Key aspects for the Festival Hall operation’s marketing should reflect the following (in no particular order)

- A new project that represents an investment in the Town’s cultural and arts life
- Maintaining a balance between amateur and professional programming
- Finding out more about actual and potential customers (hirers as well as audience members and participants)
- Investigating competitors, exemplars, producers and partners
- Developing a programme with something for everyone
- Harvesting more customer data and making more of what already exists
- Publicising, in Petersfield and beyond, what the Festival Hall can offer to its communities
- Producing and promoting some of its own arts and cultural ‘product’
- Finding out how customers prefer to be contacted and responding (for example, the increasing importance of social media channels)

- Making more of the existing contact records
- Appealing to younger people by introducing new programme aspects and giving them more online services that engage them on their terms
- A more comprehensive and dynamic web site (and social media) that is properly search engine-optimised
- Introducing volunteer and membership schemes
- Responding to desires already expressed through consultations for a more flexible, attractive and accessible venue that also offers food, refreshments and drinks

C5 STAFFING DEVELOPMENT, VOLUNTEERS, PARTNERSHIPS AND OVERSIGHT

STAFFING DEVELOPMENT

We envisage very substantial staffing growth and development to support the Festival Hall complex in its ambitions. Staffing costs form the major portion of overhead costs for most enterprises, and this can cause uneasiness (we appreciate), especially where public funds are involved. Therefore, using our experience from many other venues and organisations across the UK and overseas, we have proposed staffing changes that are ambitious but are also realistically and modestly costed to achieve significant organisational change to accommodate growth, without creating an unwieldy, high-risk structure (not least because we have created the revenue budgets around a broad base of tried and trusted revenue streams).

It should also be remembered that there is almost always an option to outsource rather than to employ (without running almost any of the risks that much larger outsourcing projects may have to deal with). For example, with regard to programming, there is a now a substantial network of specialist programmers available to a venue such as the Festival Hall. Sometimes, rather than expecting paid staff to 'become expert in everything' it can make more sense to outsource parts of the programme because

- Specialists already have the networks and knowledge to build programmes cost-effectively and efficiently
- Specialist programmers may share some risk with the venue (for example, guarantees of fixed fees to the venue for comedy events where the programmer is also the principle marketer)
- Tastes can change, and the venue can be freer to reflect this in adapting its programme
- The specialists' artistes can sometimes bring along their own audiences (sometimes known as 'pied pipers')

It is not possible for us to determine how Town Council and Festival Hall Officers may choose to stage recruitment alongside growth, and the budget we have provided should be regarded as provisional (and pending more detailed plans). Similarly, we have provided an exemplar staffing plan (below) but this is indicative only – Town Council and Festival Hall Officers will need to plan the actual details of growing recruitment, of course. We can broadly estimate that staffing may need to increase to up to 16.5 FTEs over the 5 years of development we have worked on (and we have budgeted for this, alongside a falling need for subsidy, as the operation extends its activities and revenues):

YEAR			Yr 1		Yr 2		Yr 3		Yr 4		Yr 5	
Function	1 FTE	Cost 1 FTE	No.	Cost	No.	Cost	No.	Cost	No.	Cost	No.	Cost
Venue Manager	1.00	£33,000	1.00	£33,000	1.00	£33,000	1.00	£33,000	1.00	£33,000	1.00	£33,000
Deputy Manager	1.00	£26,000	0.50	£13,000	0.50	£13,000	0.75	£19,500	0.75	£19,500	0.75	£19,500
Duty Manager	1.00	£18,000	0.50	£9,000	0.50	£9,000	0.50	£9,000	0.50	£9,000	0.50	£9,000
Senior Theatre Tech	1.00	£20,000	1.00	£20,000	1.00	£20,000	1.00	£20,000	1.00	£20,000	1.00	£20,000
Duty Technician	1.00	£15,000	0.50	£7,500	0.50	£7,500	0.50	£7,500	0.75	£11,250	0.75	£11,250
Box Office Assistant	1.00	£14,000	1.50	£21,000	1.50	£21,000	1.50	£21,000	2.00	£28,000	3.00	£42,000
Administrator Apprentice	1.00	£10,000	0.50	£5,000	0.50	£5,000	0.50	£5,000	1.00	£10,000	1.00	£10,000
Projection Specialist	1.00	£22,500	0.25	£5,625	0.25	£5,625	0.25	£5,625	0.50	£11,250	0.75	£16,875
Casual Tech/Projection	1.00	£18,000	0.00	£0	0.50	£9,000	0.50	£9,000	0.50	£9,000	0.50	£9,000
Casual Tech Assistant	1.00	£15,500	0.00	£0	0.00	£0	0.00	£0	0.50	£7,750	0.75	£11,625
Casual Bar Staff	1.00	£14,000	2.00	£28,000	2.00	£28,000	2.00	£28,000	3.00	£42,000	3.50	£49,000
Casual Cleaning / Security	1.00	£14,000	0.50	£7,000	0.50	£7,000	1.00	£14,000	1.50	£21,000	2.00	£28,000
Marketing/Outreach Mgr	1.00	£25,000	1.00	£25,000	1.00	£25,000	1.00	£25,000	1.00	£25,000	1.00	£25,000
Total FTEs / Salaries (Net)	**13.00**	**£245,000**	**9.25**	**£174,125**	**9.75**	**£183,125**	**10.50**	**£196,625**	**14.00**	**£246,750**	**16.50**	**£284,250**
Gross Staffing Costs				**£208,164**		**£218,820**		**£234,804**		**£293,652**		**£338,052**

NB The gross costs above are indicative only and may not exactly reflect the annual amounts indicated in the detailed revenue projections.

VOLUNTEERS

There will need to be a very serious commitment to recruiting, managing and training more volunteers to support the Festival Hall's growth plans. It is not unusual now to find volunteers working alongside paid staff, and these volunteer roles will be essential to an enhanced Festival Hall operation (because the core staffing overhead must continue to be managed very closely). Petersfield and the surrounding areas seem to have a high number of community and volunteer groups, and that is encouraging.

We believe there is a case for a separate organisational sub-structure specifically for volunteers alongside the Festival Hall's overall staffing structure. This could focus on recruitment / turnover, training, teambuilding, rostering, fund-finding and so on.

PARTNERSHIPS

It is important that the Festival Hall developments complement those elsewhere in the Town and locale and do not seek to replicate or create unhelpful competition. In particular, the overall approach to programming should be considered in direct dialogue with key stakeholders and working partners. This need not be an onerous task, and experience elsewhere indicates that more may be possible through collaboration. An obvious area for programming collaboration would be a Town Festival, for example. Partnership can extend beyond the Town limits, of course. It will also be possible to apply as partners for project funding (for activities such as community theatre, summer school productions and so on).

Now that this document has been created, there should certainly be early dialogue about the planned developments with The Petersfield Shakespeare Festival, the Petersfield Musical Festival and the Petersfield Museum (which includes the Flora Twort Gallery, the Bedales Historic costume collection and the Edward Thomas collection).

OVERSIGHT

The Town Council has a Public Halls Working Group of around 6 participants that meets regularly. This group is active, and keen to see the Festival Hall operation thrive. They are also familiar with some of the details of the operation, which can be very helpful. Their oversight throughout this consultancy has been active and supportive and there are clearly some relevant skills within the group. We recommend that this group is retained. We also suggest that the group checks its capabilities and competencies against the new and developed Festival Hall operations now being proposed and changes or extends if appropriate. Broadly, a skillset 'wish list' might include

- Financial (funding, budgeting, fundraising, accounting, contracting)
- Premises (Buildings design but also buildings operation /usage and performance
- Venue and People Management (strategy, policies and procedures, planning, staffing, recruitment, training and development, exit)
- Marketing
- Project and other partnering (education and outreach) including users
- Customer care (for different stakeholder groups, not only audience)
- Community arts and Commercial arts

- Town, District and County knowledge and contacts
- Catering (food and beverage)
- Private events and events promoted on other premises

Going forward, it might also be worth considering a Fees and Charges sub-group (or external group) who would report to the Working Group. This could be an effective check and balance for setting rates that are appropriate and effective (and reviewing these from time to time). Any and all groups should remain 'locked in' to the Town Council's annual meetings cycle, which is a helpful structure.

As the operation is developed, there may well be a need for its strategic objectives and overall performance to be monitored through

- Festival Hall Management Team meetings (fortnightly)
- Venue Manager/Town Clerk meetings (regularly/ ad hoc as needed)
- Public Halls Working Group (monthly)

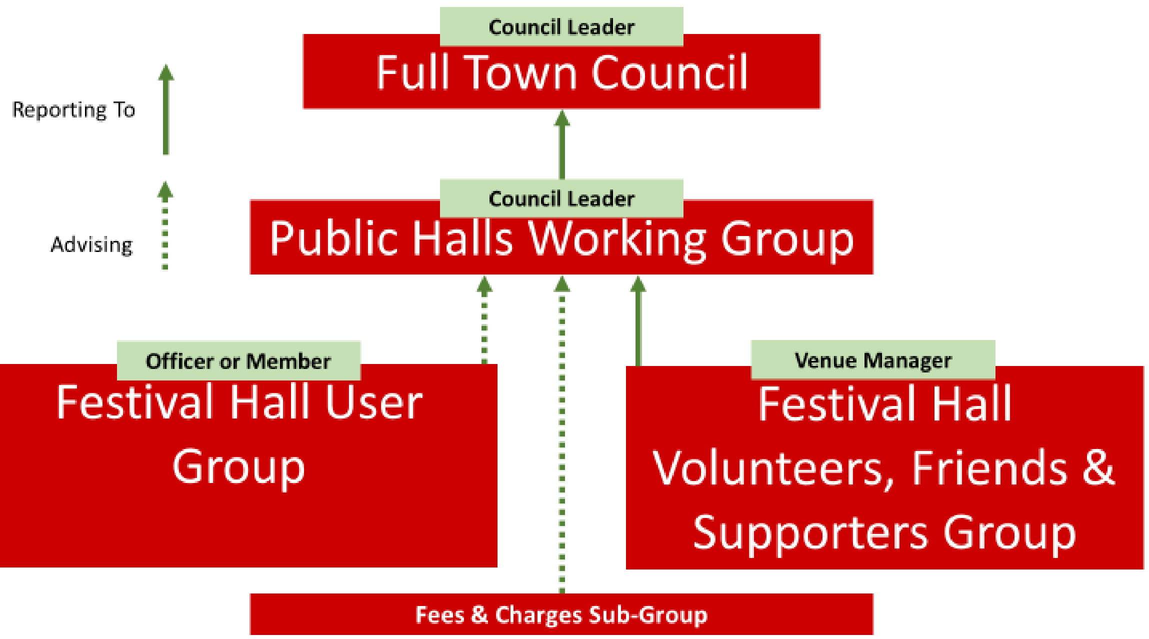
Other monitoring mechanisms for consideration might include: Key Performance Indicators reporting, verbal and written reports from the Venue Manager (or their Deputy), financial scrutiny from the Working Group and the Town Council's most appropriate Finance body. The entire network to be reviewed annually.

We also recommend a more traditional 'User Group'. Such a group could be open to anyone and manage a couple of public meetings each year. It would serve both as a feedback route for users about their Festival Hall experiences and preferences and a forum for the Festival Hall and Town Council to share news on opportunities, developments, changes and so on. It might be best for this group to be chaired by a Town Council Member or Officer (but not the venue manager or their deputy).

Finally, we recommend a new, dynamic and more independent Volunteers, Friends and Supporters group (or similar). It would meet on a very regular basis (also ad hoc if required) and utilise electronic communication media extensively. Ideally, it should be led and chaired by the Venue Manager or the Marketing and Outreach Manager. This group could provide a very useful vehicle for

- Attracting more volunteer and other support
- Retaining loyal supporters more effectively and validating the importance of their contributions
- Broadening the demographic of people engaging with the Festival Hall complex
- Accessing funding routes and other opportunities that might not be open to the Town Council, for example
- Providing 'free' word-of-mouth and social media publicity of activities at the Festival Hall

So, to summarise, we propose



C6 COMMUNITY AND ECONOMIC ASPECTS

COMMUNITY IMPACT

Arts and cultural businesses should not be compared with profit-creation businesses because much of the value they deliver is social, and improving for individuals – in other words, the more revenue they create, the more they should invest. Arts and cultural activities should not be focused on shareholder value. It is ***stakeholder*** value that counts in this context, and there is a now a great body of research linking participation in the arts with improved health, sense of well-being and community engagement.

We believe the buildings options proposed 'unlock' the other developments. The improvements would support the Festival Hall to compete with other facilities, expand its offer and thereby attract more and a wider range of uses/users. The Festival Hall needs to expand beyond a 'halls for hire' model (because this can deliver more for local communities and for the Town Council). A more flexible main space, with an additional second spaces and other

Multi-purpose spaces allow an expansion into more music, theatre, cinema, exhibitions, rehearsals, classes, workshops (in all art forms), meetings and small conferences. The new 'studio' space will allow for smaller and more limited performances and activities to be programmed and can also be used more for rehearsals – a source of income.

Projected demand for hiring these spaces (as we have indicated it in our budget projections) is extremely conservative, and has the potential for significant growth, based on the experience at other venues and the potential of the large number of small local business and local voluntary sector organisations registered as charities – likely to be a small proportion of the total. A further, more detailed potential user survey will be needed before the final design programme is agreed (and we know this is already planned for Petersfield). In addition to being hired out, the spaces can be programmed directly for activities with further income generation potential, including youth theatre and dance workshops, for example.

FWA's designs propose that the Festival Hall operation is given more prominence, making the building more visible so that passers-by are more aware of it, and making it more obvious what the building does and offers (improving appeal and increasing visits). We absolutely concur with this approach, which might also include artist-designed banners for the building exterior (an approach recently adopted by the South Bank Centre, very successfully).

All public facilities (and especially those in the leisure sector) need to maintain their buildings and facilities to the highest levels. Public expectations are high, and the Festival Hall complex is in the same market as other venues, hotels, bars and cafes. Maintaining and building on the attractiveness of the building is critical. Maintaining the auditorium to a high standard of decoration and repair is an important selling point. Cinema audiences are attracted by fashion (young) and comfort (older). Upgrading the venue is in line with current (and demonstrably successful) trends.

The foyer area will be significantly improved and made more fit for purpose (this was raised in the FWA consultations). The proposed improvements completely remodel bar and foyer, and bar income is critical to all theatre operations. The facility must have the potential to serve a full audience attending a music, theatre or film event in a 20-minutes interval. Profit margins on a successful bar are high. Post-show bar access should also be investigated.

ECONOMIC IMPACT

A refreshed Festival Hall operation will contribute to the value of the local economy in two ways: direct (or 'induced') and indirect. The direct impact is principally local spending (such as the amount spent on purchasing supplies locally or the amount spent on resident staff wages, which is then spent on items such as accommodation, travel, food, and clothes locally). Indirect impacts reflect the 'knock-on' effect of direct impact, where money spent results in more money being spent (for example, the purchase of supplies from a local company resulting in that company spending on their staff wages and purchasing other supplies). All that expenditure is constantly circulating around the local economy, helping to preserve jobs, and boost economic growth.

In 2004, Dominic Shellard (University of Sheffield) developed methodologies and formulae to calculate a theatre's economic impact, and to measure the economic impact of theatre across the UK. This formula has been used very widely to measure and to predict economic impact of UK theatres on local, district, national and even international economies.

The approach depends on determining Additional Visitor Spend (or 'AVS'): the money spent by people attending a performance at the theatre, in addition to the cost of the tickets. This can include transport, accommodation, domestic costs (such as babysitters) and any food and drink purchased outside the home. The Sheffield University report in 2004 calculated an AVS of £7.77 per audience member outside London (and a significantly higher £53.77 in London). Given a cumulative annual increase in RPI over the last 14 years, this figure rises to £11.75 per audience member outside London. However, because it is not likely that the differential of almost 700% between London and elsewhere has remained static (and there is some indication of this in other measures) we have added an additional 10% (based on a national comparison of relevant goods and services between Hampshire and the rest of the UK – Hampshire is amongst the more expensive for living costs) – this is a very conservative increase.

An AVS figure of **£12.93** (for 2019) therefore appears an appropriate figure per person to use in the context of the Festival Hall (to reiterate: this is in addition to ticket costs). The approach also employs a Multiplier (informed by BIS and ONS data) of 1.5. This figure is also conservative.

We could use two formulae to assess economic impact of developments at the Festival Hall. The first defines economic impact solely as what a theatre contributes to the local and national economy (ignoring turnover and other earnings):

- (Additional visitor spend + salaries + subsistence allowances + goods and services bought locally) x 1.5

The second can be used to define economic impact as the total economic activity generated by a theatre (in other words, what economic activity an area would lose in total if the whole Festival Hall operation was not there – and turnover).

- (Turnover + overseas earnings + additional visitor spend + salaries + subsistence allowances + goods and services expenditure) x a multiplier of 1.5

Including turnover establishes the scale of the economic activity related to the theatre, and economic impact is viewed as inputs and outputs, rather than profit and loss. So, for example, turnover is made up of money from customers, funders and businesses, and produces a specific economic effect, whilst a theatre's expenditure on wages and supplies produces a separate economic effect (in other words, it is not a strictly linear model). Our immediate difficulty in making these calculations for the Festival Hall operation alone is that it can be difficult to divide (for example) Town Council and Festival Hall staff / Officer time spent between the theatre exclusively and other operations (such as the Pavilion). However, we **can** do this for the Festival Hall operation taken *in toto*, from its 'new' Year One:

- AVS: as above, £12.93 per booking (an additional survey covering all aspects of AVS would be required to quantify more accurately the spending patterns of visitors attending performances. Such additional survey should cover areas of transport costs and modes of transport, domestic costs and food and drink). In Year One of the new Festival Hall operation the target is **33,090** seats sold. Total AVS is therefore **£427,856.**
- Salaries: **£208,164** is planned salary expenditure for new, full Year 1. This includes on-costs, training, recruitment and so on.
- Subsistence allowances: subsistence allowances may be paid to some performers and support staff visiting the Festival Hall (to cover production costs of travel, accommodation, food and other living expenses). In Year One, no subsistence allowances have been allocated

- Goods and services bought locally; supplies to be purchased locally are estimated at **£110,000** for full operation Year One (a portion of the entire planned budget expenditure on supplies and services which is likely to be spent locally). This figure includes any costs recharged to the Festival Hall that would be re-circulated within the local economy either through wages or supplies & services bought locally

- The total economic impact of the Festival Hall complex on the local economy (excluding turnover), in the **first** full year of operation, is estimated at: **£1,119,030** ((**£427,856** [Total AVS] + **£208,164** [salaries] + **£110,000** [goods and services]) x **1.5**).
- If the planned turnover for the Festival Hall in Year One is included, the total economic impact of the Festival Hall operation on the local economy in the **first** full year of operation, is estimated at: **£1,932,324** ((**£427,856** [Total AVS] + **£208,164** [salaries] + **£110,000** [goods and services] + **£542,196** [turnover]) x **1.5**).
- The total economic impact of the Festival Hall operation on the local economy (excluding turnover), in the **fifth** full year of operation, is estimated at: **£2,556,557** ((**£1,138,223** [Total AVS] + **£338,052** [salaries] + **£228,096** [goods and services]) x **1.5**).
- If the planned turnover for the Festival Hall in Year Five is included, the total economic impact of the Festival Hall on the local economy in the **fifth** full year of operation, is estimated at: **£4,446,945** ((**£1,138,223** [Total AVS] + **£338,052** [salaries] + **£228,096** [goods and services] + **£1,260,259** [turnover]) x **1.5**):

Shellard Item	**Yr 1**	**Yr 2**	**Yr 3**	**Yr 4**	**Yr 5**
AVS	£13	£13	£14	£14	£15
Seats sold	33,090	42,115	54,148	66,180	78,213
Total AVS	£427,856	£560,881	£742,766	£935,060	£1,138,223
All salary costs	£208,164	£218,820	£234,804	£293,652	£338,052
Subs	£0	£2,000	£3,000	£4,000	£5,000
Local exp	£110,000	£132,000	£158,400	£190,080	£228,096
Multiplier	1.50	1.50	1.50	1.50	1.50
Turnover	£542,196	£683,637	£886,786	£1,062,665	£1,260,259
Shellard Exc	£1,119,030	£1,367,551	£1,703,955	£2,128,188	£2,556,557
Shellard Inc	£1,932,324	£2,393,006	£3,034,135	£3,722,186	£4,446,945

C7 REVENUE FUNDING AND BUDGET PROJECTIONS

The Festival Hall operation appears to be managing its net costs well. Our view is that, if the capital programme is implemented as FWA have indicated, and the new programme and staffing are introduced, as described, then the impact on the net operating cost/surplus of the Festival Hall would be to move from a net annual deficit per year to a break-even scenario in Year 3, and by Year 5 we believe it could cover repayments on its PWLB capital loan in that, and in subsequent years. One critical commercial aspect is to ensure that revenue streams are diversified as proposed (increasing opportunities and reducing risk); another is a substantial increase in marketing spend to build and maintain a bigger, broader operation. We have mentioned elsewhere that we envisage two transition years before our programme plan and budgets begin, at 'our' Year 1. The five years summary from 'our' Year 1 (when building work is completed, or nearly completed) to 'our' Year 5 (the first full year of full operation) is as follows:

Narrative	Programme and buildings launch	Programme growth	Programme growth	Programme growth	First year of full operation
Year	**Yr 1**	**Yr 2**	**Yr 3**	**Yr 4**	**Yr 5**
Income	£542,196	£683,637	£886,786	£1,062,665	£1,260,259
Expenditure	£654,574	£687,184	£770,259	£901,443	£1,014,595
Net	-£112,378	-£3,547	£116,527	£161,222	£245,664
Cumulative	-£112,378	-£115,925	£602	£161,824	£407,488

Notes

- key operating costs and revenues are developed from figures provided by Petersfield Town Council and from our own resources
- we have avoided the inclusion of repayments against capital borrowings. Whilst, clearly, we cannot anticipate where, how much and on what terms the Town Council might raise monies, we have provided a very summary guide to PWLB borrowing elsewhere, and have illustrated how much the operation could contribute (in Year 5) to its capital borrowing obligations

To summarise, our modelling for the first full year of operation (our Year 5) with the arts, staffing and building developments proposed indicates no requirement for Town Council subsidy and enough to service a PWLB loan, whilst delivering far more significant value for local residents and visitors.

We have been extremely cautious in our projections and firmly believe our scheme can deliver significant additional revenue, helping The Festival Hall operation towards self-funding and providing better value for taxpayers. An outline revenue budget is included as **Appendix D1.**

C8 CONCLUSIONS AND WAYS FORWARD

We have set out our initial thoughts on how the opportunities presented by refurbishment and development of the Festival Hall complex could be approached, with outline programme descriptions, timescales and notes on the potential budget implications and levels of risk. An outline revenue budget is included, we have considered the costs of a capital loan from the PWLB and an exemplar chart of workstreams over time is included above. The key aspects of these proposals are to

- Design and develop a more ambitious programme
- Programme a new, multi-purpose studio space that has income-generating potential
- Introduce a third, 'pop-up' arts and cultural space (Rooms 1 & 2 or the Rose Room)
- Improve key services such as bar and catering
- Provide a 'mixed economy' of activities, in order to develop a financially sound organisation that is forward-looking, flexible and has something for everyone

In addition, there are proposals to modify staffing to ensure best value from the new facilities and services. We have assumed that the following will apply to the theatre's on-going budgets

1. Current staff costs will change to support growth (as indicated above)
2. Current building costs remain unchanged until 'our' Year 1
3. The programming budget will change to allow a more adventurous theatre programme on occasions
4. The marketing budget will be increased *significantly* based on selling new facilities and services as soon as there is a commitment to breaking ground

Clearly, building works and general improvements will have some impact on the programmes and services of the venue, in different combinations and at different times. Generally, earned income will reduce at the most disruptive points, but a more detailed architectural plan (at the next stage) will propose mitigations to reduce these to a minimum, and keeping facilities in use wherever possible. Any loss of income will need to be included in capital cost projections and budgets once these are detailed at the next design stage.

Our view is that this is a unique opportunity for the Festival Hall operation to make a step-change in meeting the real and changing needs of its growing population, and the Town Council is right to take fullest advantage of it.

Chris Moore
ACL Consultancy Solutions
October 2019

Appendix D1: Revenue Budgets (Detail)

FESTIVAL HALL - REVENUE PROJECTIONS YEARS 1-5 (FULL OPERATION)						
Item	**Yr 1**	**Yr 2**	**Yr 3**	**Yr 4**	**Yr 5**	**Notes**
MAIN AUDITORIUM						
Capacity (seated average between 298 and 484)	391	391	391	391	391	Main auditorium combines music, theatre and film
Capacity (standing, 750 for 15% of events)	750	750	750	750	750	
Total Performances	110	140	180	220	260	
Performances Seated	88	112	144	176	208	
Performances Standing	22	28	36	44	52	
Tickets Available	50,908	64,792	83,304	101,816	120,328	
Percentage Capacity Sold	65	65	65	65	65	Reflects British Theatre Repertoire 2017
Number of Admissions or Seats Sold	33,090	42,115	54,148	66,180	78,213	
Average ticket price	£18	£18	£19	£19	£20	
STUDIO						
Capacity	80	80	80	80	80	
Performances	35	45	55	65	80	
Tickets Available	2,800	3,600	4,400	5,200	6,400	
Percentage Capacity Sold	65	65	65	65	65	Reflects British Theatre Repertoire 2017
Number of Admissions or Seats Sold	1,820	2,340	2,860	3,380	4,160	
Average ticket price	£18	£18	£19	£19	£20	
ROSE ROOM / ROOMS 1 & 2						
Capacity	120	120	120	120	120	
Performances	15	25	35	45	60	
Tickets Available	1,800	3,000	4,200	5,400	7,200	

Percentage Capacity Sold	65	65	65	65	65	Reflects British Theatre Repertoire 2017
Number of Admissions or Seats Sold	1,170	1,950	2,730	3,510	4,680	
Average ticket price	£18	£18	£19	£19	£20	
BOX OFFICE NET						
Box Office (Gross)	£649,444	£835,286	£1,135,014	£1,388,338	£1,741,064	
Payments to Producers	£487,083	£626,465	£851,261	£1,041,253	£1,305,798	75% of gross
Box Office (Net)	**£162,361**	**£208,822**	**£283,754**	**£347,084**	**£435,266**	
FRONT OF HOUSE						
Number of Programme Sales	3,608	4,640	5,974	7,307	8,705	10% of admissions
Revenue from Programme Sales	£2,526	£3,248	£4,182	£5,115	£6,094	Based 20% comm on all sales @£3.50 per unit
Sales of Merchandise	£2,000	£2,400	£2,880	£3,456	£4,147	Growth at 2% pa
Bar Sales	£49,610	£63,807	£82,139	£100,472	£119,698	25% of theatregoers at £5.50 each
Catering Sales (Performance-Linked)	£13,530	£17,402	£22,402	£27,401	£32,645	5% of theatregoers at £7.50 each
Confectionery Sales	£4,510	£5,801	£7,467	£9,134	£10,882	5% of theatre-goers at £2.50 each
Ices Sales	£21,648	£27,843	£35,843	£43,842	£52,232	20% of theatre-goers at £3.00 each
Daytime Café & Events Catering Sales	£36,000	£46,800	£60,840	£79,092	£102,820	Estimates based comparable venues
Total FoH Sales	**£129,824**	**£167,300**	**£215,752**	**£268,512**	**£328,517**	
FoH Profits	*£41,587*	*£53,436*	*£68,726*	*£84,045*	*£100,137*	
OTHER REVENUE						
Grants	£9,000	£9,270	£9,548	£9,835	£10,130	Various, including project funding
Friends Scheme	£6,000	£6,180	£6,365	£6,556	£6,753	200 pax @£30 yr 1
Business Support-In-Kind	£4,000	£4,120	£4,244	£4,371	£4,502	
Sponsorship	£4,000	£4,120	£4,244	£4,371	£4,502	
Programme Advertising	£12,000	£12,360	£12,731	£13,113	£13,506	Contracted out; estimate 5pp x 20 progs @£250
Season Brochure Advertising	£6,000	£6,180	£6,365	£6,556	£6,753	Contracted out; estimate 20pp x 4/year @£350
Booking Fees	£27,060	£34,804	£44,803	£54,803	£65,290	£1.50 on 50% of ticket purchases
Hires & Conference Events	£181,951	£230,482	£298,980	£347,464	£385,040	
Other Revenue Total	**£250,011**	**£307,516**	**£387,280**	**£447,069**	**£496,476**	

TOTAL REVENUE	**£542,196**	**£683,637**	**£886,786**	**£1,062,665**	**£1,260,259**	
Profit on Sales						
Programmes	*£758*	*£975*	*£1,254*	*£1,534*	*£1,828*	*margin: 30%*
Merchandise	*£600*	*£720*	*£864*	*£1,037*	*£1,244*	*margin: 30%*
Bar	*£24,805*	*£31,903*	*£41,070*	*£50,236*	*£59,849*	*margin: 50%*
Catering	*£5,412*	*£6,961*	*£8,961*	*£10,961*	*£13,058*	*margin: 40%*
Confectionery	*£1,353*	*£1,740*	*£2,240*	*£2,740*	*£3,264*	*margin: 30%*
Ices	*£8,659*	*£11,137*	*£14,337*	*£17,537*	*£20,893*	*margin: 40%*
Daytime Café & Events Catering Sales	*£10,800*	*£14,040*	*£18,252*	*£23,728*	*£30,846*	*margin: 30%*
DIRECT COSTS						
Staff Salaries & Wages	£174,125	£183,125	£196,625	£246,750	£284,250	Includes contractors
NI/Social Security	£23,855	£25,088	£26,938	£33,805	£38,942	Assume 13.7% of wages/salaries
Other Pensions	£4,701	£4,944	£5,309	£6,662	£7,675	Assume 2.7% of wages/salaries
Recruitment	£2,000	£2,000	£2,000	£1,500	£1,500	
Staff Development and HR	£3,483	£3,663	£3,933	£4,935	£5,685	Assume 2.0% of wages/salaries
Total Staff Costs	**£208,164**	**£218,820**	**£234,804**	**£293,652**	**£338,052**	
SUPPLIES						
Programme Print	£1,800	£2,300	£2,900	£3,600	£3,672	Assume 60% in-house only; +20% overrun
Streaming and Cinema Product	£35,000	£45,000	£55,000	£65,000	£75,000	
Event & Community Costs	£40,000	£41,200	£42,436	£43,709	£45,020	
Merchandise	£1,400	£1,428	£1,457	£1,486	£1,515	
Bar	£24,805	£25,301	£25,807	£26,323	£26,850	
Catering	£8,118	£8,280	£8,446	£8,615	£8,787	
Confectionery	£3,157	£3,220	£3,285	£3,350	£3,417	
Ices	£12,989	£13,249	£13,514	£13,784	£14,060	
Daytime Café and Events Catering	£25,200	£32,760	£42,588	£55,364	£71,974	
Supplies Total	**£152,469**	**£172,738**	**£195,432**	**£221,232**	**£250,295**	
OTHER COSTS						
Marketing	£40,000	£55,000	£70,000	£85,000	£90,000	Increases pa as performances / activities increase
(Marketing Cost Per Seat Sold)	£0.83	£0.77	£0.77	£0.78	£0.87	

Opening Launch Events	£40,000	£0	£0	£0	£0	
IT Support	£4,800	£4,944	£5,092	£5,245	£5,402	Inflated at 3% pa
Telecomms	£4,800	£4,944	£5,092	£5,245	£5,402	Inflated at 3% pa
Stationery	£3,800	£3,914	£4,031	£4,152	£4,277	Inflated at 3% pa
Postage	£12,000	£12,360	£12,731	£13,113	£13,506	Inflated at 3% pa
Cleaning	£2,200	£2,266	£2,334	£2,404	£2,476	Inflated at 3% pa
Property and Other Maintenance	£35,000	£42,000	£50,400	£60,480	£72,576	set to rise 20% pa
Consumables	£8,000	£9,600	£11,520	£13,824	£16,589	
Premises	£10,000	£12,000	£14,400	£17,280	£20,736	
Capital Expenditure	£30,000	£40,000	£50,000	£60,000	£70,000	Increases by £10k pa - capital improvements
Utilities	£30,000	£30,900	£31,827	£32,782	£33,765	Assumes optimal eco efficiency (see Julie's Bicycle); +3% pa
Business Rates	£14,000	£14,420	£14,853	£15,298	£15,757	Based appropriate comparator plus 3% pa
Water Rates	£4,000	£4,120	£4,244	£4,371	£4,502	
Bank Charges, Interest and Ccards	£10,000	£12,000	£14,000	£16,000	£18,000	
Insurances	£15,000	£16,000	£17,354	£18,361	£19,369	
Licenses	£3,340	£3,347	£3,500	£3,500	£3,500	Premises, PRS and so on
Repairs & Renewals	£27,000	£27,810	£28,644	£29,504	£30,389	Increases at 3% pa
Other Costs Total	**£293,941**	**£295,626**	**£340,023**	**£386,560**	**£426,248**	
TOTAL COSTS	**£654,574**	**£687,184**	**£770,259**	**£901,443**	**£1,014,595**	
TOTAL REVENUES	**£542,196**	**£683,637**	**£886,786**	**£1,062,665**	**£1,260,259**	
YEAR END BALANCES	**-£112,378**	**-£3,547**	**£116,527**	**£161,222**	**£245,664**	
Cumulative	**-£112,378**	**-£115,925**	**£602**	**£161,824**	**£407,488**	
ADDITIONAL NOTES TO REVENUE PROJECTIONS						
VAT is not considered at all, but this needs professional investigation and advice						
Projections for new areas of activity are based on data from comparable venues and projects						

Appendix D2: Assumptions on Variance to Budget

We have considered and factored in

1. Without a second theatre space, seats and sales must be deducted from original figures
2. More standing events in main space because this additional revenue will be necessary
3. Modest increase in main space events if marketing improves
4. Modest reductions in main space ticket sales as facilities, fixtures and fittings continue to deteriorate (in contrast with, for example, cinema auditoria) reflected in British Theatre Repertoire figures 2017
5. Without renovation and refurbishment, market seat prices will not be achieved for theatre and cinema
6. In more modest models, we will lack 'big launch' promotional or sponsorship opportunities for business
7. Without changes, no new offers to hirers, but a modest increase might be possible as marketing improves
8. Overall, reduced events (for example, without flexibility of a studio space and other flexible spaces) reduce revenue streams

We have also used comparable venue data (anonymised) to confirm different scenarios.

Appendix D3: Borrowing from the Public Works Loan Board (Detail)

Any Council's chief objective when borrowing money will be to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans, should the Council's long-term plans change, is likely to be another objective. PWLB loans are repaid often over a long time and consist of principal and interest in accordance with the loan agreements. Please see our estimates of borrowing costs, below. Typically, Petersfield Town Council should always maintain more than 50% ownership of the venue and site throughout the repayment period at least.

Councils can spend capital (money) on assets (including property) that will be used for more than one year. In local government this can also include spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy or enhance assets. Councils have some limited discretion on what counts as capital expenditure (for example, individual assets costing below £10k are not capitalised and are charged to revenue in the year).

There are two types of Capital investment. They are made

- to support local public services by lending to or buying shares in other organisations (service investments)
- to earn investment income (known as commercial investments where this is the main purpose)

The Festival Hall investment would relate to non-financial assets that the Town Council holds primarily or partially to generate a rate of return but most significantly to contribute towards service delivery objectives.

The Local Government Act 2003 set out a framework for the financing of capital investments in local authorities which came into operation from April 2004. Alongside this, the Prudential Code was developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) as a professional code of practice to support local authorities' decision making in the areas of capital investment and financing. Authorities are required by regulation to have regard to the Prudential Code.

CIPFA released an updated version of the Prudential Code in December 2017. The revised code includes the removal of some indicators and a new requirement for authorities to produce a Capital Strategy. The objectives of the Prudential Code are to ensure that the capital investment plans of authorities are affordable, prudent and sustainable and that treasury management decisions are taken in accordance with good professional practice.

The Prudential Code sets out a number of indicators which authorities must use to support decision making. These are not designed to be comparative performance indicators. In addition, the CIPFA Treasury Management Code of Practice and guidance notes sets out a series of treasury indicators. The most recent version of the Prudential Code removed the requirement to produce the "Incremental Impact on Council Tax" indicator.

The capital investment proposed for the Festival Hall would accelerate the anticipated social, community, economic and financial benefits of the venue (including benefit to the town centre). Petersfield Town Council will need to demonstrate due diligence has been undertaken to understand the financial position and the ability to repay the loan over a fixed period.

It is appropriate (throughout the fundraising process) to show that the Town Council has some dependency on profit-generating investment activity to achieve a balanced revenue budget (through a contribution from programme sales at the Festival Hall, for example). Given the significant cuts to public expenditure (especially to local government funding) the Council's borrowing strategy will probably need to continue to address the key issue of affordability without compromising the longer-term stability of its debt portfolio. In this case, it is our understanding that Petersfield Town Council might be able to arrange forward-starting loans during 2019/20 (if it so wishes), where the interest rate is fixed in advance, but the cash is received in later years (however, we are not experts in this field and professional advice would, we know, be sought).

Please note: the questions around VAT on a capital project in this context are many, complex and deserving of specialist financial advice, which we also strongly recommend.

PWLB BORROWING & REPAYMENT IMPLICATIONS FOR THE NEW REVENUE BUDGET

(The most recent circular from PWLB setting out their business terms was 'Circular 159' on 25 May 2018, and this should be referred to). Loans can be made by the Government to principal local authorities who provide information as required on their plans for long-term borrowing and associated capital spending (the Certainty Rate). From 11 April 2018 rates were reduced by 40 basis points (0.40%) for lending to support nominated infrastructure projects that are high value for money (the Local Infrastructure Rate) – this can make PWLB borrowing very good value. Eligibility for access to concessionary rates is determined by HM Treasury in accordance with guidance. The PWLB makes no assessment of whether a local authority or project qualifies for a concessionary rate but requires confirmation from borrowers that they have been granted the appropriate approval.

Two types of loan according to interest rate are available from the PWLB

- Fixed rate loans, on which the rate of interest is fixed for the life of the loan and interest is payable at half-yearly intervals
- Variable rate loans, on which the rate of interest is variable at one, three- or six-monthly intervals. The interval is at the choice of the borrower but once chosen remains the same for the life of the loan

It is likely that a fixed rate loan would be chosen. There are two types: 'Maturity' and 'Annuity or EIP'. They are available between 1 and 50 years, and 2 and 50 years, respectively. Fixed rate loans are charged at 35p for every £1,000 or part of £1,000. Repayments of a fixed rate loan are at half-yearly intervals. The first repayment date must be not more than six months from the date of advance. Interest is calculated by applying half of the annual interest rate to the balance of the loan outstanding at the start of the half-year.

We have looked at a fixed rate loan of £8,300,000 for the Festival Hall development (although we expect the Town Council to reduce this borrowing need through deploying reserves or raising funds from other sources) over a repayment period of 30 years, as an example (correct data date as of March 16th, 2019, fixed rate loans and estimated repayment costs – figures provided by the United Kingdom Debt Management Office). If the Town Council were to borrow £8,300,000 for the whole capital development, it could currently expect to repay (Annuity) at an interest rate of 2.66%. That would mean half-yearly costs of £200,344 (a total loan cost of £12,020,611):

Data Date: 16-Sep-2019	PWLB	FIXED RATE LOANS - ESTIMATED REPAYMENT COSTS					
Amount of Advance: 8,300,000							
Period		**Annuity**				**EIP**	
	Rate	**½ Yearly**	**Total**	**Rate**	**Initial ½ Yearly**	**Reduces by**	**Total**
	%	**Cost (£)**	**Cost (£)**	**%**	**Costs (£)**	**each ½ year (£)**	**Cost (£)**
Years							
Over 29½ not over 30	**2.61**	**200,343.52**	**12,020,611.20**	**2.56**	**244,573.33**	**1,770.67**	**11,540,320.00**
		(therefore 400k pa)					

The EIP alternative is cheaper overall, but significantly more expensive on a monthly basis and, whilst we do not claim to be PWLB borrowing experts, we would not recommend that for this scenario.

Our (very cautious) revenue projections indicate the Festival Hall operation (theatre, studio, rooms 1 and 2, Rose Room, kitchen, foyer and so on) could start repaying its full ½ yearly annuity obligation in Year 5 (the first year of full operation).

Appendix D4: Local Consultation & Feedback

This development has, to date, been driven by the views of local people, organisations, Members and Officers.

There has been extensive public consultation to place the early buildings design and proposed new programmes under public scrutiny and invite input and improvement. For example, Foster Wilson Architects undertook initial community consultation in the early stage of its RIBA work (this is – rightly – a requirement at most RIBA development stages). There have been exhibitions, online consultations and questionnaires. In August 2019, a questionnaire was promoted (and analysed later) over the August Bank Holiday weekend, for example. In October 2019 Petersfield Town Council organised an open public event for commentary, workshops, presentations and informal feedback FWA and ACL participated).

Much of the comment and feedback has been (or is being) incorporated into the continual improvement of buildings and programme plans. Informing the programme plans, the following comments have been particularly significant (and we have reflected these in developing our proposals). There was notable demand for

- Accessible spaces, on all levels, for all people
- Events specifically aimed at older people and those with disabilities
- Heating and air conditioning throughout
- More, comfortable, flexible spaces (for yoga, meditation, keep fit/movement, activity clubs, Tai-Chi and so on)
- Flexible spaces in which teachers and other specialists could offer a wide range of workshops and learning activities
- Spaces for live music and dancing
- More opportunities for younger people
- An expanded theatre and film programme
- Affordable access for amateur and community groups
- Space and facilities for exhibition and display
- A tourism and visitor centre

The detail of consultations is available from the Town Council (notwithstanding Data Protection legislation).

Appendix D5: Competition (Detail, Continued)

Comparing all of their facilities against all of those proposed for The Festival Hall would be detailed research beyond the scope of the current brief, however there are some 'highlights', namely

- Holybourne Theatre is a not for profit amateur dramatics group run by volunteers which stages an energetic and diverse entertainment programme for the people of Holybourne, Alton and the surrounding areas
- Aldridge Repertory Company is a non-profit organisation that subsidises productions, managed by a volunteer board to support gifted artists with showcases and similar
- Fundamentally a training space, the ShowRoom Theatre, Chichester, is shaped to support the learning of students in the Department of Theatre, on their Acting, Theatre and Drama & Theatre programmes. It supports artists in residence
- The Chichester Festival Theatre main house (at capacity 1,300) is quite different from the Festival Hall. However, the Minerva Theatre (capacity 310) is a direct competitor for product
- The Medici Theatre (Farnham) is based at a school and currently advertising no programme
- The Station Theatre (Hayling Island) is a modern 144-seater theatre. It is an amateur-run theatre that provides both amateur and professional shows/events each year, with 'blockbuster' films monthly
- Multi-arts centre Farnham Maltings is home to six dance and theatre companies, as well as a number of artists and craft makers, who make use of the Victorian-era complex's rehearsal rooms, pottery studio, craft studios and meeting rooms. In addition to its residents, the centre hosts a varied programme that spans theatre, cinema, music and workshops, and provides a meeting space for fitness, literary and knitting groups. There's also an on-site cafe, serving local seasonal produce and homemade baked goods. With spaces ranging from 4-500 people and a full-time, varied programme, this is a competitor for The Festival Hall
- Portsmouth's Guildhall is one of the biggest event venues in the area, hosting art exhibitions, live music, festivals, theatre, magic shows, stand-up comedy, dance and conferences, with the main hall having a standing capacity of 2,500. It's also available as a wedding venue.
- The New Theatre Royal (Portsmouth) claims three spaces but the only one of significance is the main house at just under 700 seats. This venue is not likely to be competing for the same product but attracts good audiences to its varied, full-time programme
- The Groundlings Theatre (Portsmouth) hosts events including plays, productions and murder mystery evenings run throughout the year, as well as ghost hunts. It partly operates as a hall for hire but also offers some programme events and learning opportunities
- The Trinity Theatre (Portsmouth) appears to be an amateur-run venue of the 'Little Theatre' type
- The David Russell Theatre is part of Portsmouth Grammar School
- The Kings Theatre (Southsea) seats up to 1400 people and offers a very varied, popular programme
- The Chesil Theatre (Winchester) is an amateur-owned and run venue

- The Theatre Royal (Winchester) seats 400 and offers a mixed programme (200 performances per year alongside a programme of workshops, youth theatre and dance). It represents a direct competitor for some product and audiences
- The Berry Theatre (Hedge End) seats up to 306 and offers an occasional programme (mostly at weekends). It is sister venue to The Point (Eastleigh)
- The Pyramids Centre (Southsea) is a large capacity venue (1400)
- Titchfield Festival theatre is one of a group of amateur venues in the South
- The Brunel and Dreadnought Theatres (Gosport) promote amateur shows
- The Stripe Theatre (Winchester) is a university venue
- Tower Arts Centre (Winchester) presents an occasional, broad programme, has a youth and participation focus and is part of the 'and.co' consortium
- The Point showcases contemporary dance, theatre and combined arts. Their creative residencies and associate artist scheme support artists to develop new work and reach new audiences. Spaces available to hire include the main auditorium, studio theatre, creation space and conference room. They are a good model for development of the Festival Hall operation because their mixed programme is very similar to that now being proposed for the Festival Hall. With a main space of 312 and a studio space of 50 (and a variety of other, high quality spaces) they are direct competition for both product and audiences
- Thornden concert hall is a performing arts centre that is part of a college. The venue seats up to 400 and offers an occasional programme. It is a competitor for product
- Princes Hall (Aldershot) Today hosts popular touring theatre, comedy, music, film and dance acts, and its function rooms can be hired for conferences, parties and weddings. The main auditorium seats 750 and can be reconfigured in a variety of layouts. The suites of rooms and other facilities are varied and modern
- Thornden Hall Thornden Hall aims to provide entertainment for the community and is set within the grounds of Thornden School. It showcases young talent. The hall seats up to 400 people
- The Proteus Creation Space near Basingstoke is the base for Proteus Theatre Company. They create three professional productions each year; a family show touring in the winter, a production for adult audiences touring in either the spring or autumn and a Christmas show for pre-school children and their families. They also champion new and emerging artists and work as co-producers for a number of smaller companies who have work available 'off the shelf'.
- Fluid Motion Theatre is a company whose base is at a mental health centre (and that is the focus of their work)
- The Haymarket (Basingstoke) runs a commercial professional programme (part of Ents24). The Haymarket is a 380-seat proscenium arch theatre in the centre of Basingstoke, programming a range of theatre, music, comedy and children's shows. It is a competitor for product.
- The assembly Theatre (Bognor Regis) is part of the University of Chichester
- The Harlington (Fleet) is a multi-purpose arts and entertainment venue in Fleet, Hampshire, offering entertainment, events, courses and room hire. It offers a popular mixed programme featuring music and tribute bands, but also variety and film. With a main auditorium seating up to 500 and two smaller studio spaces, it is a competitor for popular product

- The Alexandra Theatre (Bognor Regis) is run by a registered charity (Arun Arts) and offers a mixed programme. Seating 357 in its major space and 60 in its studio (with a range of other spaces) it is a competitor for product
- The Arundel players run an amateur venue along the lines of a 'Little Theatre' model
- Nuffield Theatre (Southampton) is a producing theatre - home to Southampton's leading professional theatre company, Nuffield. The company produces new work for local and national audiences and collaborates with other theatre companies. In addition to theatre the programme includes stand-up comedy and children's shows. With spaces of 450 and 135 capacities, this is more likely a good partner than a competitor

Appendix D6: Milestones Already Achieved (Detail)

During the course of this study, Officers and Members of Petersfield Town Council have already begun working on some aspects of the operation, including new mission/ vision/ strategies for the complex, hire costs (review and strategy) and project management throughout a development period. Summary papers were produced and agreed for these:

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NOTES, REFLECTIONS AND FOLLOW-UP FROM THE EXTRAORDINARY FESTIVAL HALL WORKING PARTY MEETING ON 19 JULY 2019 AT PETERSFIELD TOWN COUNCIL

1. Thanks

First, I should like to repeat my sincere thanks to all those who were able to attend the Working Party meeting on Friday July 19th. The contributions and questions from the Chair, Members and Officers were crucial in taking the Council further towards a reinvigorated Festival Hall complex that can offer better value to taxpayers and local communities.

2. Context

The objectives for the meeting were clearly laid out in the agenda and notes that were tabled on the day.

3. Mission, Vision and Strategies for the Festival Hall, Petersfield

Following discussion, the **mission** statement amended and agreed for the Festival Hall was:

The Festival Hall Complex in Petersfield exists to offer a programme of quality professional and amateur arts and cultural opportunities to the people and communities of Petersfield and beyond.

Following discussion, the **vision** statement amended and agreed for the Festival Hall was:

To become the local and sub-regional venue of choice for participants, audiences and other stakeholders, offering high quality and accessible spaces and facilities for the widest variety of uses, responding dynamically to change and attracting more residents and visitors to Petersfield Town.

Following discussion, the s**trategy** statements amended and agreed for the Festival Hall were:

- Change the footprint, configuration and finish, gradually and progressively, providing the flexibility and direction, modernising and optimising better to meet local community wants and needs, providing value for money both for users and for taxpayers and so securing the Festival Hall complex's future for the next generations

- Broaden the programme of activities from a simple 'halls for hire' model to a proactively created and driven programme that balances income-generating work with that requiring targeted subsidy
- Develop services, buildings and facilities to meet modern user expectations and to reflect a wide range of interests, skills, learning/training opportunities, participation, viewing and listening opportunities
- Aim for a cost-neutral operation, providing targeted subsidies whilst also reducing the reliance on local authority subsidy (by creating more effective opportunities for income generation through hire revenues, for example)
- Adopt a long-term, strategic approach to building a broad programme and an attractive complex that provides more than one reason for more than one demographic to come, linger, take part and spend. This approach will reflect key strategic developments (such as the move to Unitary)
- Stimulate and co-produce / co-promote events elsewhere in the area (such as the South Downs National Park) with appropriate partners
- Undertake development projects (buildings and programmes) as cost- and time-effectively as possible, with a key ambition to minimise and reduce the period of any disruption

(NB this list should not be considered exhaustive nor in priority order – these are working strategy statements at this stage; 'do nothing' and 'De Minimis' options were considered and rejected).

4. Matters for Further Consideration

This Group might consider reconvening to consider another important organisational aspect – 'Values'. Such statements help confirm existing organisational cultural strengths and can also support cultural ambitions. A meeting that lead to some shared value statements should be the output.
A review of the current leases should consider how any space currently rented out could be more effectively re-purposed (this might relate to appropriateness and / or revenues generated, for example).

5. Decision-Making and Consultation

I mentioned towards the end of the session that it would be good for the project and the Town Council to agree a timescale for the next RIBA and project stage at the earliest opportunity. I agreed with the question raised at that time that the decision-making framework should also reflect the pending public consultation (and the critical importance of more pubic discussions and presentations). There was some discussion of questions for public consultation and I offered to provide three exemplar questions. These might be

a. Do they ever visit the Festival Hall? (Follow-up: if not, why not; if so, what do they come to do?)
b. What sort of activities or facilities would encourage them to come more often? (Perhaps with a list of prompts, although these can be prejudicial)
c. Would they be happy to answer some more detailed questions and how would they prefer to do this (eg here, now; by telephone; online)

As a contrast, these were questions recently deployed by Crawley Borough Council:

- What regular leisure and creative pastimes do you have?
- If you don't attend events and activities in Crawley, what are the reason(s) for that?

- If you had the chance, what new creative and/or leisure experiences would you like to try in Crawley?
- What is the most successful creative and/or leisure activity you have participated in or observed? Why did it work?
- What's missing from the creative and/or leisure offer in Crawley?
- How can you and/or the organisation(s) you work with contribute to the creative and leisure life of Crawley?

6. Meanwhile…

In my view, work that can be continuing and/or going ahead in any case includes

- The current reviews of costs and pricing by Officers (these will be included in the September document) so that they can be introduced in 2020/21 financial year
- Planning and costing initial changes to staffing, with a commitment in September (following the final report) to allow for planning and implementation

7. Addendum: Some Matters of Concern

During and following the meeting, a few matters of concern occurred to me; I would be remiss not to flag them up for further consideration

- The current licensing arrangements place all responsibility on the Venue Manager (named as the sole individual) but do not allow him to control bar activities when they are being operated by others (including non-professionals). I do not believe this weight of responsibility is reasonable (and I do not believe it would be regarded as such if a licensing issue arose). In other words, I believe the Town Council is very exposed as a responsible employer in this and should take steps
- The existing arrangements allowing hirers access to some very valuable facilities and equipment without being 100% obliged to demonstrate their competence is (as I have said elsewhere) highly risky and potentially problematic for Insurers and Hirers; the Town Council could find an insurance claim denied or find itself liable for an injury to a hirer/ member of the public, for example. I believe urgent action is required

Chris Moore MA, Independent Consultant
23 July 2019

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PETERSFIELD FESTIVAL HALL: SOME CONSIDERATIONS FOR THE CHARGING REVIEW AND NEW STRATEGY, 14 AUGUST 2019
CONTEXT

Partly in connection with planned developments for the Festival Hall Petersfield, (but also because it needs doing regularly) the Town Council is reviewing its existing facilities fees (for hires in particular) and planning for the future. Council Officers have already begun this process and we have met and shared approaches and drafts.

I have also suggested that a parallel initiative involving two new Councillors to work with the Venue Manager and Finance Manager on the same matter is not best-timed and likely to duplicate work unnecessarily. I have requested, instead, any input on local competitor knowledge (ie of costs and products/services) that might be helpful.

INPUT

As an independent consultant specialising in business planning for venues of this type I wanted to offer some input from other projects, reflecting what I have learned about the existing operation. I hope this will be helpful (and I am happy to discuss).

BROAD APPROACHES

For a venue with an articulated Community role (this has just been revisited and updated mission, vision/values and strategies are imminent), whether it is a 'halls for hire' model, a fully functioning venue or a hybrid, striking the right balance of approaches to hire and other costs is critical. It might be prudent to assume that

- Throughout, developing a Festival Hall 'brand' that is quite distinct from the Town Council is essential, and this includes responsibility for pricing, negotiations, contracting and service delivery
- Those who best know the local markets, what they might bear and how they might respond are the existing Officers: their input to this process is critical
- The demands from potential hirers for spaces, equipment and so on will continue to come from the Community, the Third, Public and Private Sectors, so differential approaches to pricing will be appropriate, but need to appear as straightforward and as transparent / inclusive as possible, and apply to all the relevant, hire-able assets (such as the Rose Room)
- Some activities can be regarded as being of sufficient Community (or other benefit) that they can be effectively subsidised by other activities that can be regarded as more 'commercial' (such as hires by people teaching skills to paying participants, commercial weight loss organisations, corporate activities like conferences and so on)
- Moving forward, it will become important to identify timetabling areas for venues that are internally controlled and determined (eg for the FH's own, growing programme)
- There will be changes, and these may not suit or appeal to all current users, but the role of this project must be to deliver best possible value for money to taxpayers, with the most cost-effective benefits to the Community – in other words, a 'balanced' (or mixed) economy
- In line with the above, one of the clear recommendations from us (later this year) for the FH will be to bring its bar provision for all events back in house. It would make sense to start on this initiative before the building changes start in earnest (not least because it will cause some concern), and to 'compensate' those organisations who might see themselves as 'losing out' on bar revenues, through setting hire costs that are adjusted to acknowledge this, and/or a profit share arrangement and so on.

SPECIFICS

At this point, I would suggest that

- Hourly charging is almost always problematic (an hour is too small a charging unit, and costly to manage in terms of logistics, technical support and administration (including billing). A session-based fees structure would be much more effective, cheaper to manage, more profitable and easier to explain and understand (once the system is embedded). Other successful venues only hire out the smallest, most basic spaces on an hourly basis (and, even then, usually have a minimum hire of 3 hours or so); more often, they use third-, half- or whole-day rates (especially for larger, more complex spaces). It is encouraging that Officers have already started this transition
- The current arrangement at FH where technical support is regularly provided by a local specialist (but amateur) organisation carries significant risk, is problematic in terms of compliance, responsibilities and insurance, and is quite unique in our experience. We would more typically expect to see a venue retaining control over the use of what can be very costly equipment either by providing a technician as part of any hire (included, mandatory) or insisting on a recognised measure of competence and liability before allowing them access to the venue's assets. I'd recommend making significant change at this point, not least because the 'pain' will only come later when, with far more valuable and complex technical provision in the new development, the FH will likely need to make that change in any case
- Long show hires (the 'block' lock-out usually required by an amateur dramatic organisation, for example) should be a fixed amount for all, based on a per week or per fortnight, all-in cost (Jon could provide best advice on this, perhaps, in the context of Petersfield, and I know that he and Michelle have already begun to discuss this important community aspect)
- Regular hirers could be enabled to 'roll over' bookings up to one year in advance, provided they will not significantly inhibit the Festival Hall's ability to programme its own events. Other hirers could also be able to hire up to 12 months in advance, with the possible exceptions of large, corporate events such as conferences and weddings (Jon may have additional exceptions)
- There is currently no deposit required at the booking form stage. This should be reviewed – most venues in our experience do operate a deposit scheme of some sort (even if, in the case of community hires, for example, it is nominal). It should ensure that, at least for large-scale hires, the venue is not at cancellation risk without compensation up to a reasonable point before the scheduled hire (leaving the venue at least some opportunity to re-fill the slot or being compensated if that is not likely). The deposit scheme might be reconstructed to reflect the cancellation policy changes, below (next bullet point)
- The current cancellation policy is inadequate. It might be formalised as
    - Cancellations more than 8 weeks / 2 months from the event – full refund
    - Cancellations less than 8 weeks / 2 months, more than 4 weeks / 1 month – 50% refund
    - Cancellations less than 1 month / 4 weeks – No refund
- Regarding the hire costs themselves, we will be making recommendations in the new business plan based on the new spaces (and the 'mix' of those spaces, and their ancillary offers) later this year. In the interim, it appears to us that the hire costs are generally low in comparison with other venues and could be raised in the short-term (this always elicits initial comment, but is an essential part of continuing to demonstrate best value for taxpayers: most things rise annually by inflation, at least). It is critically important that the Festival Hall clearly articulates the value it is offering with every hire (and so on), also in comparison with other venues / facilities if that is appropriate and avoids 'hidden' charges or poorly articulated costs.

Chris Moore, ACL Consultancy Solutions Ltd, August 2019

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PETERSFIELD FESTIVAL HALL: PROJECT MANAGEMENT SUPPORT UP TO OPENING, 14 AUGUST 2019

CONTEXT

Petersfield Town Council has embarked on a project to understand and appreciate development options for the local Festival Hall complex. A capital development project of this scale (even in its exploratory stages) is immensely demanding of time and attention and can threaten 'normal service' for any size of operation, in our experience. With knowledge of how other organisations have approached this and following some discussion and observation of the existing arrangements, I want to suggest some ways to support the project as it moves forward and hope that will be helpful. Clearly, I am happy to discuss any of these ideas.

PROPOSAL

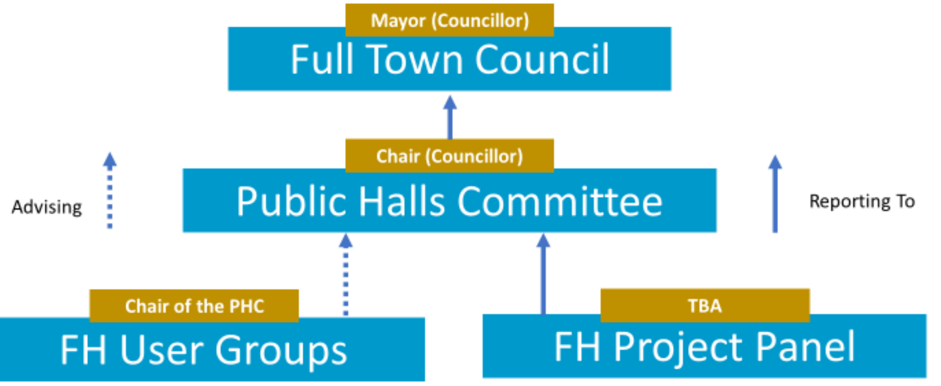
Overall, I have been considering a rearrangement of existing resources to ensure no significant additional cost in supporting and de-risking a Festival Hall development project. As Members and Officers may be aware, our work will provide comprehensive revenue accounts for the project proposed by September 2019. For the structure I propose, updated Terms of Reference should be agreed at the earliest opportunity.

First, I recommend that the **Full Town Council** retains its ownership of, interests in and overall management of a revitalised Festival Hall complex. That is the best way for the Town Council to demonstrate prudent but forward-looking investment in this important community asset. It is also important, however, that the Festival Hall brand is developed independently (for example, FH retains its own web site and control thereof).

Second, I support the continuation of the **Public Halls Committee** to oversee, manage and report on the Town Council's assets, meeting on a monthly basis (except in August and December), calling extraordinary meetings should it need to (relating to a development or issue, for example) and with the ability to co-opt (eg specialists). However, whilst this Committee has contributed very positively to date, providing a popular forum for discussion in the past and bringing together some key skills (technical theatre and so on), I feel sure this is an appropriate time to review its make-up and purpose, not least to avoid any conflicts of interest where, for example, organisations who are paying users of some facilities are also able to influence the FH's management directly (its hire fees, perhaps) and might give some local businesses unfair advantage over others (who are not represented in the group). The risk posed by such potential conflicts of interest is not at all justifiable, in my view, because objective oversight and transparency are not best served (and this might not be well regarded by others, including potential funders). I therefore recommend that this group is reformed to preserve its positive influence but avoid conflicts of interest: users should be invited to join the User Group (see below).

Third, I propose a Festival Hall **Project Panel** (like a working group) that reports to the Public Halls Committee. Its entire focus for the next few years would be on the development of the Festival Hall. The meetings schedule (frequency and times) should be flexible, not least because more planning and discussion will be required as the project develops. The group should include two (or so) Members with specialist skills or experience, the Town Clerk, Venue Manager, Finance Manager and Project Manager as a minimum and able to co-opt and request ad hoc input from the Design team, consultants/specialists, suppliers and others as appropriate.

Finally, I recommend continuation of the non-executive Festival Hall **User Groups**, both chaired by the Chair from the Public Halls Committee (as now). The **Technical User Group** should continue to meet with the Public Halls Committee after the Public Halls meeting – usually in July, and the focus and location be the Festival Hall only. The **General User Group** should meet once a year – usually in August (when there is typically no Public Halls Committee meeting) and meet in the Rose Room or Avenue Pavilion, for example. These groups should be open to any bona fide user, and each meeting take place as per the existing terms of reference. The groups should serve both as a feedback route for users about their FH experiences and preferences, and as forums to share news on opportunities, developments, changes and so on. Working outside these meetings with the Venue Manager, the Chair of the Public Halls Committee can help integrate both Groups' work with that of the Public Halls Committee and therefore offer solutions and suggestions alongside the raising of any more straightforward user issues, questions or suggestions at Public Halls Committee meetings (saving the Committee some time, I would expect). So, to summarise, we propose



Towards the end of 2019, I also suggest that the Panel and Public Halls Committee check their joint capabilities and competencies against the new and developed FH operations that will be proposed in September, changing or extending if appropriate (the group may have the powers to co-opt non-Council specialists, for example). Broadly, a skillset 'wish list' might include

- Financial (funding, budgeting, fundraising, accounting, contracting)
- Premises (Buildings design but also buildings operation /usage and performance)
- Venue and People Management (strategy, policies and procedures, planning, staffing, recruitment, training and development, exit)
- Marketing
- Project and other partnering (education and outreach) including users
- Customer care (for different stakeholder groups, not only audience)
- Community arts and Commercial arts
- Town, District and County knowledge and contacts
- Catering (food and beverage)
- Private events and events promoted on other premises

Finally, later still, and launching (perhaps) at the 'soft opening' stage of the developed Festival Hall complex in a couple of years' time, I recommend the establishment of a new Volunteers, Friends and Supporters group (or similar). It could meet on a regular basis (also ad hoc if required) and probably utilise electronic communication media extensively. Ideally, it should be led and chaired by a local person with relevant experience and local standing. The group should be independently constituted so that it can raise funds and support from sources not normally or necessarily accessible to the Council. This group could provide a very useful vehicle for

- Attracting further volunteer and other support
- Retaining loyal supporters more effectively and validating the importance of their contributions
- Broadening the demographic of people engaging with the FH (especially younger people)
- Providing 'free' word-of-mouth and social media publicity of activities at the FH

Chris Moore MA, Independent Consultant
August 2019

Appendix D7: Snapshot of Cinema Growth in the UK

The three most significant boutique chains (Picturehouse, Everyman and Curzon) are engaged in a significant number of openings, even though the multiplex boom may have run its course in the UK. Cineworld-owned Picturehouse has five new cinemas: three in London and two regionally (Ashford and Chester); their MD admits there are others in the pipeline. Curzon, which opened new cinemas in Aldgate and Oxford in 2017, expanded to Colchester and Hoxton this year, and will also begin construction on new venues in Kingston and Horsham. At Curzon — which combines cinemas with a distribution company and a VoD platform — expansion in bricks and mortar is part of a bigger predicated on the cinemas acting as the shop front to the wider strategy of creating a film brand that connects directly to customers. Curzon is very much a "film company", not a hospitality organisation. Curzon's cinemas are thriving. Organic growth for 2017 box office (not counting the contribution of new venues Aldgate and Oxford) was 8.5% up on 2016.

Everyman, which has built rapidly over the past few years to 22 cinemas, is expanding quickly, opening 14 new venues during 2018 and 2019. Their target is to reach 50 cinemas over the next three to five years, replicating the same business model in each location. The company, which is quoted on the AIM stock exchange, has raised more than $60m (£45m) in equity since 2015, and also has a $27m (£20m) debt facility. Everyman's roots are in Hampstead, North London, but the success of sites in communities as small as Oxted (estimated population 13,607) and Reigate (estimated 22,958) has given them bullish confidence. Their 'MO' is about identifying a suitable building and a suitable opportunity at the right price, not identifying the 'right' towns or locations.

Even the head of cinemas at the UK's Independent Cinema Office (ICO) says that "Our position is that we welcome any new cinema developments of any description." He also points out the Bristol Watershed, one of 20 independent cinemas taking programming advice from the ICO, "has just enjoyed its best ever year for admissions in the same year it's faced up to increased competition from the Everyman". This could be a very good time for single-venue independents as well as boutique chains. The three-screen Depot opened in Lewes, East Sussex, in May 2017, and quickly established itself as a thriving business. The Olympic, which operates a consistently busy two-screen venue in Barnes, is developing a sister site in Battersea. And the switch from 35mm to digital has allowed small community cinemas to develop all over the country, with costs for the fit-out of seats, sound and projection equipment starting at around £80,000, according to the ICO. Years ago, most market towns with a population of 10,000 or more would have had a local cinema. Many of these closed in the 1970s and 1980s, when UK cinemagoing was at its lowest point. New technology gave people — local authorities and groups of committed people and individuals in some cases — the confidence and the understanding that developing a quality cinema need not cost a fortune, and the sector has performed well since then.

So, this is no time for the New Savoy Cinema to be complacent at the Festival Hall. The growing independent market has not gone unnoticed by the multiplex operators. Cineworld bought Picturehouse in 2012 and has been investing in the chain's expansion. Vue is revamping venues. National Amusements' Showcase is expanding its Cinema de Lux brand, for example, opening its first London site in the new $1.8bn (£1.4bn) expansion of the Brent Cross shopping centre. Odeon is converting more venues to its Luxe brand, offering a 'VIP experience' called The Gallery at six sites and has opened The Lounge, with food and drinks delivered to the customer's seat at Whiteleys shopping centre in West London. Some of these operators are chasing wealthier audiences, but Odeon (for example) might settle for reducing the number of seats and providing a better service.

Appendix D8: Theatre & Cinema - Impact & Value (Detail)

Overview

- Data on the economic and social values of cinema are scarce, but do exist
- Data on the impact of chain cinemas coming to challenge independent cinemas are very rare indeed, but we have some exemplar information
- Data on the economic and social values of theatre do exist as formulae

The Economic Impact of Cinemas (ROI)

(This section based on the UK Film Council document "Impact of Local Cinemas, 2015 which focused on 5 case studies of local cinemas)

In general, box office sales can represent a significant revenue stream in a mixed-activity venue such as that proposed for the Festival Hall complex, with food and drink sales as the next biggest contributor to income. Advertising revenue and merchandising can make up anything up to 10% of annual turnover in some dedicated cinemas. Revenue funding, project funding and other income streams also usually feature. Film hires and staff costs tend to be the biggest expenses for an independent cinema. In non-subsidised cinemas, film hire might account for between 25% and 40% of their expenditure and staff costs account for between 16% and 39%. In a cinema employing permanent staff members who focus solely on education and community activities (as could become the case for the Festival Hall) staff costs might account for about half the annual expenditure (49%) and film hire around 20%.

In other cinemas, another major item of expenditure is catering costs. Clearly, the extent of this expenditure varies with the type of catering arrangements being offered by a cinema. For cinemas with catering limited to a small kiosk or bar, catering might account for between 2% and 14% of annual expenditure. An operation with a bar, restaurant and fast food outlets serving the street directly might carry catering costs in the region of 25% of its annual expenditure. Research into the place of cinemas in their local economies (and the extent to which the cinemas' expenditure stays within the local area) is scant. In order to measure what proportion of a cinema's income immediately left its local areas, a definition of "local" is essential, in order to calculate what constitutes "local spending".

We can only estimate how much of the Festival Hall's annual expenditure is "local". We can assume that most or all of the staff live in the local area, so all or the vast majority of staff costs (excluding NI and pension) could be classified as local expenditure. However, the major expense of film hire means that (because most film distributors are based in central London, or abroad) this money automatically leaves the locality of the Festival Hall. For services such as building upkeep, printing and advertising, supply of confectionery and other catering stock, vehicle hire and accountancy, a significant proportion of the Festival Hall's suppliers should be located in or near the locality. Other factors can affect decisions not to use local suppliers (for instance, sometimes local suppliers are simply not offering value for money, when compared to more distant competitors) and sometimes the festival

Hall may wish to maintain a long-standing contract with a particular supplier, with whom they have developed a good working relationship, despite a geographical distance.

Based on historical evidence, it is reasonable to assume that overall local spending rates (excluding taxes, rates, depreciation, staff NI and pension) will be between 40% and 60% of total expenditure by the Festival Hall. For the wider region, this is therefore likely to be in the region of 50%. There is a local multiplier tool, LM3, which is designed to track where money is spent in the local economy and could help to estimate what proportion of a the Festival Hall's income stays within the local economy, and what proportion leaves the area. It measures only the first three rounds of spending and is designed to give an *indication* of the cinema's impact on the local economy, rather than a precise measurement. The first round of spending is the initial income of the cinema itself. The second round is the money spent locally by the cinemas; and the third round is the money spent locally by the cinema's staff and suppliers (this stage can be expensive, requiring a good deal of face-to-face interviews). A local multiplier score (LM3) can then be calculated by adding the money from all three rounds together and dividing by the initial income. Whilst not within the scope of this study, a 'stress test' of our proposed developments and projections could be used at the next stage of this development.

There is an additional impact to be considered on the local economy: the money spent by cinema customers (and staff) on their way to and from the cinema in local shops, bars and restaurants, and on local transport, babysitters and so on. Precise information about how much cinema customers spend in this way is not systematically collected. However, this is something that could be undertaken in Petersfield in the future, asking providers and consumers whether (for example) they had spent on food or drink around their attendance at the Festival Hall. Based on the limited research available, it is reasonable to assume that Festival Hall has a modest impact on its local labour market through its employment of local residents as staff. The Festival Hall also draws on some local volunteers (a group targeted for growth) who (it is hoped) will be able to help with ushering, customer service and so on. Some of these volunteers will be of, or approaching, pensionable age, and as such, the Festival Hall will be providing valuable part-time working opportunities to older local residents who are not in search of a full-time job. Staff training and the provision of career development opportunities are other ways of enriching the local labour market, and the Festival Hall will offer staff training of some sort.

The Festival Hall has a limited number of links with local businesses, and this must be extended if the Festival Hall aims to become more embedded with its local communities and economies. Association with the cinema can be a marketing opportunity for local businesses (including, for example, sponsored fund-raising events at the cinema, or contributed funds or goods in kind earning an acknowledgement in Festival Hall brochures and website, collaborations on themed events, focusing on celebrations of international cultures and so on).

The Social and Community Values of Cinemas (SROI)

(This section based on the UK Film Council document "Impact of Local Cinemas, 2015 which focused on 5 case studies of local cinemas)

Where 'local' means independent and specific to a locality, 'local cinemas play a crucial part in fostering a "sense of place" for their communities as key venues with a community focus. They provide a strong social function as a meeting place and centre in which to socialise.

The venues widen the range of cinema-going opportunities for local residents, enhancing local cultural life. They either provide a mainstream programme where no other cinemas exist in the locality, or a specialised alternative in those areas with multiplex provision.

The opportunity to see mainstream films in a non-multiplex atmosphere is attractive to some sections of the audience. Moreover, the cinemas play an important social inclusion role, particularly for elderly people who would otherwise not have the opportunity to watch films "for them" in an easily accessible "traditional" environment, and for other excluded groups such as young parents with babies. The cinemas are "reintroducing" people to film.

Special events and activities target various community groups which would otherwise be excluded. Film festivals, special screenings and educational initiatives often reach underserved subgroups of the population. For example, The Metro, Derby holds special screenings for children with autism and with hearing impairments. Two of the case study cinemas also enhance access and participation among otherwise excluded local minority ethnic groups through film festivals and special screenings of world cinema.

Cinemas enhance local learning opportunities through links with local schools, screenings and courses, although lack of funding often restricts the range of educational activities. The case study cinemas are also involved in the delivery of "lifelong learning" opportunities through courses around film. Their role in improving the skills and knowledge base of the community is recognised by participants and practitioners alike.

Cinemas also make an important social contribution to their local communities through the provision of volunteering opportunities. Links with Film Societies have a strong impact on local film culture, with the cinemas providing a venue, and often taking the lead in booking films. Local cinemas are seen in general as affordable leisure options for families, with fewer concerns over travel and food costs than other activities. The cinemas are seen as safe, secure venues fostering independence among young people.

The Economic and Social Value of the Festival Hall Complex (SROI and ROI)

Stress-testing a development of this type is (and should be) of prime concern. Capital and Revenue implications are considered elsewhere in this document, but it is important here to focus on the local and regional economic benefits of the theatre aspect of the Festival Hall.

Measuring the Economic Impact of Theatre: Overview

There continues to be debate about the economic benefits of arts and culture. Different tools and approaches have been developed that allow at least some of the cultural sector's value to be measured using economic valuation approaches. In the context of the Festival Hall, one measure of spending (Economic Impact Assessment or 'EIA') and one valuation technique (Social Return on Investment or 'SROI') would be appropriate if the required data were available (and that should be a target for the next part of this development work). This section of the study considers EIA as far as we are able.

An EIA starts from the premise that an arts or cultural organisation attracts visitors, who do not simply spend money on their ticket or entrance fee but also buy meals in local restaurants, go to local shops, or perhaps stay in local hotels as part of their trip (as with the cinema analysis, above). These people might never have visited that location without the draw of that cultural organisation. The organisation may also buy some of its supplies from local firms, and its staff may spend their wages in the local area. This spending too benefits the local economy.

The effects of this spending go beyond the first round of purchases, however. Some of the money that visitors spend in local shops, for instance, finds its way into the wage packets of local shop staff. They in their turn spend some of their wages locally. Thus, the effects of the initial spending are 'multiplied' as the money passes through each pair of hands. In economic theory, this is a *multiplier effect*. Government bodies such as BIS (Department for Business, Innovation and Skills) produce estimates of multiplier values derived from official economic data. There are therefore three types of impact stemming from the spending of arts organisations: direct impacts, such as spending on goods from local suppliers; indirect impacts, such as spending by audience members in local restaurants; and induced impacts – the 'multiplied' effects of this spending within the local economy.

The UK's creative industries are growing at almost twice the rate of the wider UK economy, and are worth £87.4 billion a year (2017 figures). There are now 1.9 million jobs across the creative industries, and since 2011 this figure has risen by nearly 20 per cent (performing arts was the largest contributor to total employment, amounting to 35 per cent of total employment in the industry as a whole). The industries are dynamic and changing; they require constant reinvestment to support communities to thrive by living their lives well ten or twenty years from now.

In 2016, DCMS sectors' contribution to the economy was up by 3.65 year-on-year to almost £250bn, accounting for 14.2 per cent of the UK's Gross Value Added (GVA): this included arts and culture. The creative industries' contribution to the UK has been growing at twice the rate of the economy. The sector makes up more than five per cent of the UK economy's GVA. Private enterprises in the arts and culture industry contributed an estimated £8.5 billion in gross value added (GVA) contributions to GDP in 2015. This represents very impressive growth of 12 per cent on the 2014 estimate of £7.6 billion. On this measure, the largest contributor is book publishing, accounting for a 35 per cent share. But artistic creation is larger (25 per cent) in GVA terms than performing arts (19 per cent).

The compensation of those employed in the arts and culture industry is, as in most industries, the largest element of its GVA contribution to GDP, amounting to almost £5.4 billion in 2015. The market segment (as represented by private enterprise) accounts for 89 per cent of this total, whilst government and third sector provision account for 8 and 3 per cent, respectively.

Multiplier Impacts of Arts and Culture (Macro)

It is reckoned that, in the UK, for every £1 of Gross Value Added ('GVA') generated by the arts and culture industry, an additional £1.30 of GVA is generated in the wider economy through wider indirect (supply chain) and induced (employee spending) multiplier impacts of the industry. Indirect impacts are generated in the supply chains supporting the arts and culture industry, whilst induced impacts are generated in the wider economy when the direct and indirect (supply chain) employees spend their earnings on the goods and services required by households. Once these impacts are considered, the arts and culture industry's aggregate GVA impact reaches an estimated £24.5 billion in 2015. The same logic applies to the arts and culture industry's estimated employment multiplier of 2.77, meaning that for every job supported by the arts and culture industry, an additional 1.77 jobs are supported in the wider economy, again through these indirect and induced multiplier impacts.

The concept of GVA is increasingly important to the development of venues like the Festival Hall. This year, and for the first time, the ONS released a "balanced estimate" of regional gross value added; the UK is the first country to produce a balanced measure of regional GVA. Gross value added (GVA) is a measure of the increase in the value of the economy due to the production of goods and services. For the balanced measure, GVA(B), it is measured at current basic prices (value in £ million), which include the effect of inflation, and in "real" terms in chained volume measures (CVM), with the effect of inflation removed.

The gross domestic output of the entire arts and culture industry (including the market and non-market segments) was estimated at £17.1 billion in 2013, increasing to £20.2 billion in 2015. In providing its products and services, the arts and culture industry draws upon inputs from many sectors of the economy, and modelling suggests that the arts and culture industry's gross domestic output multiplier is 2.30. This means that for every £1 of arts and culture output, the economy-wide impact including direct, indirect and induced impacts is £2.30. This multiplier effect and the arts and culture industry's direct contribution to gross domestic output of £20.2 billion in 2015 combines to produce an estimated aggregate contribution, including indirect and induced multiplier impacts, of £46.5 billion.

Impacts of Arts and Culture in the English Regions

A national and regional split of the £10.6 billion of direct GVA contribution to GDP generated by the entire UK arts and culture industry in 2015 showed that the lion's share (almost £9.4 billion) was generated in England, with £3.4 billion generated in London alone. Arts and culture's share of the regional economy is also highest in London, at an estimated 0.89%.

Other Economic Impacts of Arts and Culture

Including tourism spend **within** the UK on arts and culture activities, it has been estimated that almost £5.2 billion of arts and culture-based goods and services were exported from the UK in 2013. In the same year, the latest for which these data are available, non-EU-exports account for a surprisingly large share of 84% of the total, with the remaining 16% corresponding to exports to the EU.

The arts and culture industry is a significant recipient of public funding. However, because of its productive revenue and value-generating activities, it also contributes to the exchequer via taxation. The estimated contribution of the arts and culture industry to the exchequer in 2015 stood at over £2.6 billion. Based on these estimates, combined with an estimate of annual average funding of the arts and culture industry (using data provided by Arts Council England), Cebr estimated that, for every £1 of public funding of the arts and culture, £5 of tax is contributed by the arts and culture industry.

Impacts of Arts and Culture (Local)

A refreshed Festival Hall will contribute to the value of the local economy in two ways: direct (or 'induced', as above) and indirect. The direct impact is principally local spending (such as the amount spent on purchasing supplies locally or the amount spent on resident staff wages, which is then spent on items such as accommodation, travel, food, and clothes locally). Indirect impacts reflect the 'knock-on' effect of direct impact, where money spent results in more money being spent (for example, the purchase of supplies from a local company resulting in that company spending on their staff wages and purchasing other supplies). All that expenditure is constantly circulating around the local economy, helping to preserve jobs, and boost economic growth.

In 2004, Dominic Shellard (University of Sheffield) developed methodologies and formulae to calculate a theatre's economic impact, and to measure the economic impact of theatre across the UK. This formula has been used very widely to measure and to predict economic impact of UK theatres on local, district, national and even international economies.

The approach depends on determining Additional Visitor Spend (or 'AVS'): the money spent by people attending a performance at the theatre, <u>in addition</u> to the cost of the tickets. This can include transport, accommodation, domestic costs (such as babysitters) and any food and drink purchased outside the home. The Sheffield University report in 2004 calculated an AVS of £7.77 per audience member outside London (and a significantly higher £53.77 in London). Given a cumulative annual increase in RPI over the last 14 years, this figure rises to £11.75 per audience member outside London. However, because it is not likely that the differential of almost 700% between London and elsewhere has remained static (and there is some indication of this in other measures) we have added an additional 10% (based on a national comparison of relevant goods and services between Hampshire and the rest of the UK – Hampshire is amongst the more expensive for living costs) – this is a very conservative increase.

An AVS figure of **£12.93** (for 2019) therefore appears an appropriate figure per person to use in the context of the Festival Hall (to reiterate: this is in addition to ticket costs). The approach also employs a Multiplier (informed by BIS and ONS data) of 1.5. This figure is also conservative. We could use two formulae to assess economic impact of developments at the Festival Hall. The first defines economic impact solely as what a theatre contributes to the local and national economy (ignoring turnover and other earnings):

- (Additional visitor spend + salaries + subsistence allowances + goods and services bought locally) x 1.5

The second can be used to define economic impact as the total economic activity generated by a theatre (in other words, what economic activity an area would lose in total if the whole Festival Hall operation was not there – and turnover).

- (Turnover + overseas earnings + additional visitor spend + salaries + subsistence allowances + goods and services expenditure) x a multiplier of 1.5

Including turnover establishes the scale of the economic activity related to the theatre, and economic impact is viewed as inputs and outputs, rather than profit and loss. So, for example, turnover is made up of money from customers, funders and businesses, and produces a specific economic effect, whilst a theatre's expenditure on wages and supplies produces a separate economic effect (in other words, it is not a strictly linear model). Our immediate difficulty in making these calculations for the Festival Hall theatre operation alone is that it will be impossible to divide (for example) Festival Hall staff time between the theatre exclusively and the other operations. However, we can do this for the Festival Hall operation taken in toto, from its 'new' Year One:

- AVS: as above, £12.93 per booking (an additional survey covering all aspects of AVS would be required to quantify more accurately the spending patterns of visitors attending performances. Such additional survey should cover areas of transport costs and modes of transport, domestic costs and food and drink). In Year One of the new Festival Hall operation the target is **33,090** seats sold. Total AVS is therefore **£427,856.**
- Salaries: **£208,164** is planned salary expenditure for new, full Year 1. This includes on-costs, training, recruitment and so on.
- Subsistence allowances: subsistence allowances may be paid to some performers and support staff visiting the Festival Hall (to cover production costs of travel, accommodation, food and other living expenses). In Year One, no subsistence allowances have been allocated
- Goods and services bought locally; supplies to be purchased locally are estimated at **£110,000** for full operation Year One (a portion of the entire planned budget expenditure on supplies and services which is likely to be spent locally). This figure includes any costs recharged to the Festival Hall that would be re-circulated within the local economy either through wages or supplies & services bought locally

- The total economic impact of the Festival Hall complex on the local economy (excluding turnover), in the **first** full year of operation, is estimated at: **£1,119,030** ((**£427,856** [Total AVS] + **£208,164** [salaries] + **£110,000** [goods and services]) x **1.5**).
- If the planned turnover for the Festival Hall in Year One is included, the total economic impact of the Festival Hall operation on the local economy in the **first** full year of operation, is estimated at: **£1,932,324** ((**£427,856** [Total AVS] + **£208,164** [salaries] + **£110,000** [goods and services] + **£542,196** [turnover]) x **1.5**).
- The total economic impact of the Festival Hall operation on the local economy (excluding turnover), in the **fifth** full year of operation, is estimated at: **£2,556,557** ((**£1,138,223** [Total AVS] + **£338,052** [salaries] + **£228,096** [goods and services]) x **1.5**).
- If the planned turnover for the Festival Hall in Year Five is included, the total economic impact of the Festival Hall on the local economy in the **fifth** full year of operation, is estimated at: **£4,446,945** ((**£1,138,223** [Total AVS] + **£338,052** [salaries] + **£228,096** [goods and services] + **£1,260,259** [turnover]) x **1.5**):

Notes to The Festival Hall Calculations

- There is no measure of the social or cultural benefits ('SROI') of the theatre operation included here, but these will be broadly in line with that of the cinema operation
- Turnover includes all sources of income on the basis that these would all cease should the venue not exist.
- In May 2012 a report for the Arts Council – "Measuring the economic benefits of arts and culture" – was carried out and considered the various models for assessing the economic and cultural impact. This report acknowledged that the "Shellard" model was widely used by UK Theatres. It did, however, conclude that the following areas were not taken into account in the standard model

  - displacement and substitution effects – money spent on the new theatre could divert funds from other local venues

    'leakage' – not all funds are spent in the local area and 'deadweight' – some spending would occur locally anyway; this mostly applies to local residents

Appendix D9: Summary of Foster Wilson Architects' Work to Date

(Taken from <u>Petersfield Festival Hall, RIBA Stage 2 Design Report – Draft, December 2018, Foster Wilson Architects).</u>

The Festival Hall in Petersfield is owned and operated by Petersfield Town Council and was constructed in 1935 as a result of the vision of Harry Roberts to provide a venue for the Petersfield Musical Festival. The building combines the offices of the Town Council with the Hall itself. It continues to provide a home for the Music Festival as well as many other performances and events today. Over the years successive Councils have invested in its performance facilities, which compare favourably with those of other venues in the local area. This has led to hires by dance and drama groups based well outside the Town. Audiences are drawn to events at the Hall from a wide surrounding area.

The likely receipt of funds from land sale and the Community Infrastructure Levy on new developments, together with the physical deterioration of the 'temporary' extension that houses the kitchen and meeting room, have led to the decision to start making plans for major improvements to the Festival Hall. If this project proceeds, it will be the first major improvement to the building for thirty years. The last major alteration to the building was in 1987, when the construction of the Rose Room extension provided enhanced facilities for audiences and performers.

The Petersfield Neighbourhood Development Plan, made in 2016, recognises the status of the Festival Hall as a performance venue and guards against development that would be detrimental to its function or its future development. The Plan also notes the strong public feeling that the building should be for community use. The Plan sets out a vision for the Festival Hall area as follows:

> *"The Festival Hall and surrounding area is a key part of the town, offering an excellent performance venue, community hall and open-air swimming pool. However, the area could be improved to provide high quality employment facilities and, potentially, a town centre hotel. It is also difficult for visitors to find their way to the car park and they can often end up driving through the town centre. It is therefore proposed to provide a new access off Tor Way. Any redevelopment of this site should be holistic and thus should carefully consider the entire site and its character. In particular, the setting of the existing four grade II listed buildings within the site: the Old Masonic Hall, the Red Lion Hotel, Border Cottage and The Old Cottage should be maintained or enhanced."*

The Festival Hall is not listed but lies within the Petersfield Conservation Area, which was extended in 2013 to include The Festival Hall and Swimming Pool. The Conservation Area Character Appraisal and Management Plan, produced in 2017, identifies The Town Hall as a 'positive unlisted building' and a 'focal building'. Any external alterations or extensions will require Planning and Conservation Area consents. Historical Research has been undertaken to discover more about the history of the building and its architects.

There needs to be a long-term vision for the Hall as a first-class venue for performances, exhibitions, conferences and events. The Council is keen to ensure that any development of the building, whether carried out in phases or as a single operation, is guided by a long-term masterplan for the whole building. Recognising that the design of a building for performance is a specialized discipline requiring an understanding of many interlocking functions, the Council has employed Foster Wilson Architects (FWA) and a team of specialist consultants to undertake a design study for the long-term future of the building. An initial Feasibility Study was completed in January 2018 and following a period of community consultation an expanded design team, led by FWA, was instructed to prepare more developed proposals to RIBA Stage 2 (Concept Design).

The original Town Hall building was built in the 1935 to designs by architects Seely and Paget and comprises two floors of Town Council offices on the south side, with the Main Hall behind them to the north. Originally the Council Chamber and a Small Hall with a raised stage were located on the first floor. The Council Chamber has subsequently been moved to the ground floor, due to the lack of wheelchair access to the first floor, and the upper floor is now let as commercial office space. In 1987 the original entrance to the Main Hall on the north side was demolished and replaced with an enlarged extension, at which time the hall was renamed The Festival Hall. Externally the building is constructed in red brick with steel framed Crittall windows, which have been replaced with equivalent double-glazed frames. The roof is flat and covered with roofing felt.

The two-storey extension on the north side, facing the public swimming pool and car park at the rear, dates from 1987 and is in a matching style, apart from some rather unfortunate projecting window bays. This provides foyer spaces and backstage facilities on the ground floor and the first floor provides two office suites, on either side of the entrance, which are let to long-term tenants. On the west side of the hall there is a suite of dressing rooms behind the stage, built in 1979, and on the east side a temporary single-storey building, built in 1975, which was originally a ‘small hall’ but now houses a kitchen, meeting room and toilets. This prefabricated extension is now in poor condition and in need of renewal. The kitchen is largely used to serve food, which is prepared off site. There is direct access from the kitchen to the rear of the hall for food service.

The hall itself is a large flat-floored room with a raised stage at one end. Seating for audiences is provided by a stepped retractable seating system, added in 1987, and loose stacking chairs arranged on the flat floor at the front. The current capacity of the hall is 384 seated or 500 for a standing audience or flat floor event. The stage has a limited depth of 6.7m. There are 3 forestage lifts at the front of the stage, which can be deployed as a forestage at stage level, at floor level for seating or below floor level as an orchestra pit. The stage arrangement is inflexible and difficult to adapt to the many different uses of the hall, which include largescale orchestral concerts with a choir, plays, musicals and flat floor events such as antiques and craft fairs. The erection and dismantling of choir stalls on the stage for concerts is a particularly time consuming process.

The décor of the room is somewhat dated and in need of upgrading. Technical provision includes high-level lighting bars at the front of the hall and bars on hemp lines and winches in the stage area for the suspension of lighting and curtains. Control positions for lighting and sound are provided in two angled pods on either side of the room, projecting from the sidewalls. These are inconvenient to use as the operators are separated from each other. The loading door to the stage for delivery of scenery and equipment is poorly positioned as vehicles parked here block the main route into the car park and the level change between loading level and the stage is awkward. As a result, many deliveries are made through the foyer, which is far from ideal.

The foyer areas serving the hall are located in the 1987 extension on the north side and comprise the Rose Room, with a large L-shaped bar and a suite of public toilets. This is also hired independently of the hall for meetings, lectures and social events. More public toilets are available on the south side of the hall in the Town Hall building. The quantity of public toilets needs to be assessed against current standards. The décor and layout of the Rose Room is considered to be rather dated and in need of upgrading. The main entrance to the Hall and foyer on the north side has poor legibility and improvements to its signage, lighting and general appearance should be considered to increase its prominence when approached from the car park. The other half of the 1987 extension, to the west of the entrance, provides a large green room, dressing rooms, backstage toilets and storage serving the main hall and stage. The building does not meet current expectations for access. In particular there is no wheelchair access to the first floor of the Town Hall or from the Town Hall entrance to the Main Hall. The raised stage and control positions are not wheelchair accessible and counters have no lowered sections for wheelchair users.

The Council established the following aims for the project:

- To increase the public benefit afforded by the Town Hall complex
- To improve the overall facilities for all users of the complex
- To repair and improve areas that are in need of attention
- To improve all aspects of disabled access to the building to modern standards In detail
- To replace the current 30+ year old kitchen extension with a more permanent and modern two storey extension
- To improve the flexibility of the Main Hall and upgrade its technical facilities
- To provide a range of public rooms of different sizes for hire
- To reduce maintenance and service costs
- To maximize use of space, providing improved storage as required
- To provide an improved public entrance to the building from the car park
- To modernize and improve the facilities of the Town Hall, including an enlarged Council chamber and a new Visitors' Centre

Following the completion of the Feasibility Study in January 2018 the Council engaged in a process of community consultation to seek feedback on the initial proposals and to engage with both user groups and the wider community. This process included

- A presentation of the feasibility proposals by Tim Foster at the Town Meeting on 25 April 2018
- A special edition of the Town Council newsletter outlining the proposals, distributed to all residents in May 2018
- A public consultations day held on Saturday 16 June 2018, comprising an exhibition of the proposals and a series of consultation workshops with different interest groups, at which participants were asked to complete feedback forms with their comments.

Following this process, the Town Council collated the feedback received and met with FWA on 6 August 2018 to discuss their findings. As a result of this discussion it was agreed that the main areas of the design requiring further development were as follows

- Main Hall. Option 2, with a lowered stage and side galleries, was the preferred option, but further development was needed to investigate the inclusion of a retractable choir bleacher and a small orchestra pit. This would result in a lower seating capacity but from the figures given during the consultation day it appeared these should not be less than achieved at present, which are 304 for plays and 250 for the music festival, although a larger capacity for performances such as bands and comedy, which need a smaller stage, would hopefully be closer to 400

- Foyer and Rose Room. There was concern about congestion in the foyer, which may be aggravated by the proposed enlargement of the toilets. It was agreed to look at an extension at the entrance, which could provide a more prominent entrance facing the car park, a more spacious foyer and better toilet provision inside
- Town Hall. PTC's preferred option is to have an enlarged council chamber, the Town Visitor Centre and an office for the Hall management staff on the ground floor, with the Town Council offices and the re-opened Small Hall on the first floor
- A subsequent request was made for the inclusion of a 'Changing Places' accessible toilet and changing room in the foyer area. Following these discussions FWA undertook further design development and met again with the Halls Committee sub group on 18 September 2018.

FWA reported on the three areas of design development arising from the consultation process, which were as follows

- A revised Main Hall design with side galleries and the addition of retractable choir seating and an orchestra pit. This was generally well received although it was pointed out these additions would add cost. The orchestra pit could either be mechanised or manual and if mechanised will require a deeper pit. It was agreed that a manual pit would be acceptable, as it is unlikely to be used very often, but a deeper pit should be provided to allow the addition of an elevator in the future, if required
- The addition of a new entrance extension which will better address the car park, provide more toilets and open up the foyer space inside. A new 'Changing Places' accessible toilet was also included. This proposal was well received although there was concern about the significant loss of car parking spaces. FWA agreed to see if there were ways in which the size of the extension could be reduced, and the parking provision improved. It was noted this addition would also add significant cost, which needed to be assessed
- Re-planning of the Council Offices within the town hall. These are relatively minor changes from the previous scheme and are unlikely to have a significant cost impact

It was agreed that the sub-group would report these changes to the Halls Committee on 8 October 2018. It was agreed that FWA would prepare a short report with drawings, explanations and provisional costs for this purpose. Following consideration, the Halls Committee agreed these changes should be incorporated into the current proposals.

The Design Brief below is the original brief prepared at feasibility stage, with revisions to incorporate the issues discussed above.

- Main Hall

To create a public hall which is fit for purpose, comfortable and welcoming, which can be reconfigured for a range of events including theatre, concerts, dinners, exhibitions and other flat floor events with the minimum of staffing. Provide new seating to improve comfort levels and provide for a range of different configurations. It is intended to remove the raised stage to allow the full area of the room to be used for non-performance uses and add galleries around the room, which can accommodate some side seating as well as technical functions. The current stage is too small, often needs to be extended and is not wheelchair accessible. Retractable choir seating is required at the back of the stage, which can be deployed more easily than the current manual system, and an orchestra pit provided in the floor for occasional operatic or musical theatre performances requiring a conventional pit arrangement. To improve the ventilation to the hall which is currently inadequate. Ventilation to performance spaces must be quiet with good air distribution. Comfort cooling may be required. To renew the technical installations in the hall, with modern stage lighting, sound and rigging systems to suit a range of different uses and layouts and to provide AV equipment in other lettable spaces. A new technical control room should be created at the rear of the hall, within the new extension, which should be wheelchair accessible. To review the acoustic characteristics of the hall and make provision for a variable acoustic to suit different performance types.

- New Extension

To replace the existing time expired single storey kitchen extension with a new two-storey building, providing a kitchen and multi-purpose rooms at ground level, with additional accommodation on the first floor, which will include a new technical control room at the rear of the hall and lettable office space. The kitchen is used for large catered events only 3 or 4 times a year when external caterers generally serve food prepared elsewhere, using their own equipment. The rest of the time the kitchen is used for simple preparation of food and washing up related to the bar. The need for a fully equipped kitchen is therefore questionable and it is possible that a more flexible space with a sink and services connections would be more appropriate. Further consultation with users is required. There should be a staff toilet adjacent to the kitchen. There is a need to improve connectivity between the front and back of the building and opportunities to facilitate this should be explored, ideally providing a route from the backstage area of the Main Hall to the new technical control room and the stage of the Small Hall.

- The Rose Room and Entrance Foyer

To improve the appearance and functionality of the entrance, foyer and Rose Room, which can function both as part of the foyer and as a standalone facility, which can be hired for meetings, talks and social events. The current bar counter is oversized and under-utilized. The bar is currently not stocked by the management but is used by hirers to serve their own food and drinks. There is a lack of secure bar storage, which means when the bar is in use at night the room cannot be let during the day. A new bar is needed which offers secure storage and self-contained washing up facilities. The room as a whole is an awkward shape and difficult to use, particularly for seated events. The current entrance foyer becomes over crowded as audiences arrive and more space is needed with better circulation. Provide a new sound lobby between the foyer and the hall to improve acoustic separation between them. A new entrance extension is required which will allow for the toilets to be moved to free up space in the entrance foyer and to create a more prominent entrance facing the car park, which will be more inviting to audiences as they arrive. The entrance foyer will provide a new Box Office counter for ticket collection and to act as a reception and information desk inside the main entrance.

- Public Toilets

To review the overall toilet provision and make recommendations for their improvement to meet current standards. The recommendations of Table 24 of The ABTT/DSA Technical Standards for Places of Entertainment: 2013, for an audience of 400 people are as follows:

(Assume 60% female = 240, 40% male = 160: Statutory numbers are given below with existing numbers).

	Statutory	Existing
○ Female WCs	11	10
○ Female whbs	7	6
○ Male WCs	2	5

- Male urinals 5 10
- Male whbs 3 6
- Accessible WCs 1 at each level 2
- Cleaners cupboard 1 per block of toilets 1
- Baby change facilities 1 1 (female only)
- Provide a 'Changing Places' accessible toilet and changing room in the foyer area.

Toilet facilities should be well distributed relative to audience seating positions. The figures above suggest that there is some under provision for females and over provision for males, which is not unusual for a building of this period. It is generally recommended that statutory numbers, particularly for females, should be exceeded if possible. For performance events the management do not currently encourage use of the toilets on the Town Hall side of the hall due to security concerns because audience members can access other parts of the building. If the toilets on this side are not included in the calculations the building is seriously under provided. More toilets are therefore needed on the foyer side and ways to encourage better use of those on the Town Hall side need to be investigated.

- Backstage Areas

To upgrade the existing backstage areas to current standards, including renewal of fixtures, fittings and decorations. To improve the accessibility of the stage and backstage areas. There is currently no wheelchair access to the stage and no accessible toilet backstage. If the main stage is lowered then the floors levels to the dressing rooms behind the stage will need to be lowered too. To improve the delivery arrangements to the stage and provide for parking a van at the loading door to avoid the need for deliveries to come through the public areas, as at present. The dressing room provision, with 3 smaller rooms and a large Green Room is generally adequate, except for the occasional very large show where additional overflow dressing takes place in the piano and chair store areas. There is generally insufficient storage space in the building for technical equipment, seating and rostra.

- The Town Hall

The Town Hall currently provides a Council Chamber and staff offices at ground floor level and office accommodation at first floor level which is let on a commercial basis. The current Council Chamber is too small and the Council's offices are cellular and not suitable for modern needs. PTC therefore require a larger Council Chamber with improved seating for the public and modern audio-visual facilities. It is also intended to return the Small Hall on the first floor to its original purpose as an auditorium suitable for performances and events.

PTC also wish to take the opportunity to reorganize their office accommodation as follows:

- Visitors' Centre / ground floor adjacent to main entrance
- Visitors' Centre back office / ground floor adjacent to Visitors' Centre
- Hall Management Team (3 people) / ground floor adjacent to Visitors' Centre
- Town Clerk / cellular office / first floor
- Finance Officer / cellular office / first floor
- General Office (8 people) / first floor

- Small meeting room (6 people) / adjacent to General Office / first floor
- Archive store / adjacent to General Office / first floor
- Photocopier/server/stationery store / adjacent to General Office / first floor

There is currently no wheelchair access to the first floor or from the Town Hall entrance level to the Hall level and there is no accessible WC provision within the Town Hall. These issues need to be addressed by introducing a lift. Once this is provided the possibility of returning the first floor accommodation to its original public function as Town Hall offices and the Small Hall would become possible.

- Meeting Rooms

There is a desire to provide additional rooms within the building, which are suitable for community use and public hire for meetings, rehearsals, classes, exhibitions and other activities. Improvements to the Rose Room and the re-opening of the Small Hall could address this need.

- Access

It is intended that as a public building the Festival Hall should be provided with a good level of access in accordance with Part M of the Building Regulations, within the limitations of the existing building, including lift access to all levels. At present there is no wheelchair access to the first floor of the Town Hall, between the Town Hall entrance and the Hall or to the stage.

- Travel

The hall is located adjacent to a public car park. Adequate disabled parking spaces should be provided close to the building.

- Entrances

All entrances should have level thresholds, with powered doors provided at the main public entrances.

- Accessible WCs

Public accessible toilets should be provided at each level of the building.

- Location of Service Controls

New sockets and switches, should be provided at appropriate heights, to enable wheelchair users to access the building's switches and sockets.

- Counters

New counters at the box office and bars should be provided with lowered counter sections for wheelchair users.

- Assisted Listening

A loop hearing aid system and/or infra-red assisted listening system should be provided in the hall, in accordance with Part M of the Building Regulations.

- Colour Contrast

Good colour contrast of materials should be provided to assist the partially sighted, including conspicuous step nosings, manifestation to glazing and building signage.

- Auditorium Wheelchair Positions

Wheel chair positions should be provided in the hall, in accordance with Part M of the Building Regulations, which requires the number of spaces to be 1% of the seating capacity or 6, whichever is the greater.

- Building Services

A review needs to be undertaken of the existing building services installations to assess their condition and establish the scope of any upgrading likely to be required to meet current standards, including:

- Above and below ground drainage
- Cold water distribution system
- Hot water distribution system
- Gas supply and Central Boiler Plant
- Low temperature hot water heating and thermal insulation of mechanical plant and equipment
- Local cooling
- Mechanical supply and extract ventilation to main auditorium
- Local mechanical supply and extract ventilation
- Controls for mechanical plant and equipment
- Electrical distribution (including power to and containment for general lighting, production lighting and sound equipment; public address, personnel-location and call services; radio and television installations)
- Power to and containment for data and telephone services
- Intruder alarm system and access control
- Fire detection and alarm
- Earthing and bonding
- Passenger lifts and goods lifts

- Fire Strategy

A general review of the fire strategy for the building should be undertaken to ensure adequate means of escape from all areas.

- Acoustics

An acoustic consultant should be engaged to advise on the room acoustics, sound separation and mechanical plant noise and vibration aspects of the proposals.

- Management Issues

At present the Festival Hall is simply made available for hire to organisations or individuals wishing to put on performances or other events and is not actively programmed by PTC. Further discussion is needed as to whether this business model should continue or more active management of the venue should be considered, including the programming of events in the Hall, staffing and the operation of the catering facilities. PTC have recently engaged an arts business consultant to advise on these matters. While not within the remit of this report, these issues may have implications for the accommodation the building needs to provide, particularly the provision of office space for additional staff.

Appendix D10: About ACL Consultancy Solutions Ltd

Chris Moore (MD and Lead Consultant at ACL) is very accustomed to working with architects and quantity surveyors, and in joint approaches to options appraisal and arts/cultural building development projects. He has been working in this field for over twenty-five years, mostly on arts buildings that serve local communities.

ACL's work has included

- Options and feasibility studies, business and development plans and organisational development projects for arts organisations of all kinds and for some other sectors and commercial organisations (such as health, education and tourism)
- General assistance for organisations undertaking major changes of direction (including Board development, restructuring, working with volunteers)
- Arts development plans for local authorities at Town, District and County levels
- Feasibility studies and development work for new buildings or improvements to existing arts facilities of all kinds but concentrating on arts centres and other middle and smaller scale projects to meet the cultural needs of identifiable communities by geography and interest. These have included successful National Lottery funded projects (Arts Council England and Heritage Lottery Fund)
- The creation of new arts and cultural entities (such as Trusts, Boards and businesses)

Along with Brian Harris Arts, ACL is just completing a very comparable project at the Elgiva (Chesham) for Chesham Town Council. We have very recently completed projects with Brighton Hippodrome CIC, Derby Hippodrome CIC and the Capitol, Horsham for Horsham District Council ('HDC'). In Horsham, we were engaged by HDC to develop an options appraisal for the future operation of The Capitol Theatre and Cinema. HDC saw this as an opportunity to reposition The Capitol within the context of the emerging 'broader town offer' and the expectation was that this review would help to determine how that should happen. The Capitol is Horsham's key arts venue (including a 423-seat theatre, 2 cinemas, a studio seating up to 100, gallery space, meeting room, café and bar) and is owned by HDC.

In 2018 we also completed a project undertaken for Tiverton Community Arts Theatre ('TCAT') that was part-funded by Tiverton District Council. Working with a Design Team led by Tim Foster (Foster Wilson Architects) we were tasked to examine options and recommend a model for operation, then to develop a feasibility study and produce a business plan for the preferred option. The project is an entirely new build arts venue and builds on the success TCAT has had in partnership with Tiverton High School (in 2019 we have just completed additional work to support their capital fundraising programme). A key characteristic has been to build in flexibility for the venue to respond to changes in taste and activities going forward. Chris has been re-appointed for development projects, including the recent appointment of a fundraiser for the project.

We created an initial design proposal assessment and options appraisal for an all-new, independent theatre and community arts centre in Streatham (a Section 106 project) for London Square property developers and Lambeth Borough Council. This was followed by the end-to-end procurement of a venue operator for the centre. The theatre is now open and thriving.

We also developed a detailed options review, business plan, architectural scheme and fundraising strategy for the Kings Theatre, Southsea (including costed business plans to 2021, with new spaces and additional capital sources and revenue streams) on behalf of the Trustees, in close partnership with Tim Ronalds Architects. This included substantial work on adapting Frank Matcham's original theatre design to service contemporary customers and providing commercial revenue streams, whilst also preserving the building's heritage and integrity, repositioning the District's "cultural direction of travel" without a recurrent revenue requirement. We delivered all the reports required on time and within budget, also presenting our final documents in summary form to a range of stakeholders including Arts Council England, local authorities and The Theatres Trust. Phased improvements have begun, and the project is continuing to raise funds.

ACL undertook this work for Petersfield Town Council between September 2018 and October 2019. In addition to documentary research, there have been many consultation meetings with Officers, Members and stakeholders. Previous public consultation data was made available to us and we have participated in public consultations and presentations. We have also brought our experience and knowledge of other venues (mostly anonymised) to enrich the work.

This report summarises the work and our recommendations and we commend it to the Town Council and to Stakeholders.

Chris Moore MA
ACL Consultancy Solutions Ltd
November 2019

Appendix D11: Select Bibliography

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