



Brighton Hippodrome CIC

Business plan 2020



Between 1950 and 1976 the country lost 800 theatres. The Theatres at Risk Register has listed 35 theatres most at risk around the country, which are most easily saved. [Theatres] go through different phases of life. One is that they can return to use again. But they can't if we take a short-term decision—'Let's demolish it for now'. Once you get rid of the access and the stage and the proscenium arch it's very difficult to restore them. The Theatres Trust would block renovation proposals that ruin the possibility of future use, then try and see if we can find a community group or theatre operator to come and save it.

There are theatres that would return but only if councils take a long-term view and work with the community groups and say let's not go for the quick demolition.

—Dara Ó Briain, Theatres Trust trustee, *Good Morning Britain*, ITV, 23 January 2018.



The Hippodrome 1902 after conversion to a variety theatre

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This business plan has been revised into its present iteration following an independent assessment by ACL Consultancy Solutions Ltd completed in December 2018—copy available on request.

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Business plan

9.0.1



February 2020

INTRODUCTION

Brighton Hippodrome is the UK's most architecturally significant circus-theatre—the finest surviving example of its type in the country. This business plan has been prepared by Brighton Hippodrome Community Interest Company ('the CIC') to set out its proposals for full restoration and re-establishment of a viable, sustainable, large-scale (lyric) theatre.

OUR OBJECTIVES

▷ **To revive a heritage asset, once a vital centre of entertainment and culture, to be the same for the 21st century.**

Everyone who ever went into the Hippodrome as a theatre or bingo hall has fond memories of it, not just as magnificent architecture but as a place of enjoyment and fun. We will provide the same opportunity for generations to come.

▷ **To restore the Brighton Hippodrome as a viable, sustainable large-scale commercial theatre.**

The reports we commissioned from Colliers International (2015) and ACL Consultancy Solutions (2018) show that operation will be viable—without subsidy. This business plan also shows that it is sustainable.

▷ **To create a hub for the performing arts and wider community.**

Both the main theatre and the studio will be accessible to all—city residents and visitors alike—as a gathering place, a performance space, a cultural base, to inspire, entertain and unite.

▷ **To add something unique to the city's life and environment.**

The restored theatre will create jobs, attract tourists, boost the economy, lift the Old Town and add to the well-being of residents. It will be a social space, a place of welcoming hospitality. The new life of the theatre will work its way into the whole of the city.

The re-opening of the Hippodrome will be a major event, not just for the city but for the south coast and the whole of the south-east.

Waste not, want not

The Hippodrome stands ready to be revived. Its restoration offers the unique potential to add substantially to the cultural and entertainment standing of the city of Brighton and Hove, to boost the city's visitor economy and status in a way that it is hard to conceive in any other way in a similar time-frame.

Not to do so would be to squander the opportunity to reverse the decline as a South Coast cultural and entertainment leader that the city has suffered since the end of the Second World War.

There is no obvious alternative.

Other towns and cities in the South East are upping their game, realising the potential that new cultural infrastructure and activity brings in place-making, meaning that if Brighton & Hove doesn't continue to innovate and renew there is a real danger it will lose its productive capacity and creative edge.
—*Brighton & Hove Cultural Framework: Daring to be Different*, September 2018

A considerable part of the city's cultural capital is embedded in the Hippodrome. Restoration is a sure way of restoring that part of the cultural deficit.

CAVEAT

Brighton Hippodrome CIC does not own the Hippodrome site. This business plan is predicated on the understanding that either the current owner is prepared to adopt the proposal for full theatre restoration and amend his plans accordingly, or would be willing to pass on the freehold.

Our funding support to date: £100,000+



Historic England



THE ARCHITECTURAL HERITAGE FUND

REGENCY SOCIETY
For our evolving city



Theatres Trust
... and the public.

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The impact of the Hippodrome on the city

DEVELOPMENT

OPPORTUNITY

INNOVATION

Helping attract inward investment

CITY ECONOMY

Universities/start-up collaboration

Youth performance

Catering/hospitality

EDUCATION

Visiting crews/performers

COMMERCE

Schools/colleges outreach

Encouragement of independent retail

Apprenticeships, placements

COMMUNITY

Old Town regeneration

Footfall

EMPLOYMENT

RESTORED THEATRE

TOURISM

Local performance workers/groups

Tourism destination

Community hub

Retaining major asset

Inclusivity/diversity

ENTERTAINMENT

CULTURE

HERITAGE

Regaining ground on other towns

Enhanced infrastructure

Digital archive

ASPIRATION

- OUTPUTS**
- * 100+ jobs (potential 200+)
 - plus another 130+ (Potential 260+) in the city
 - largest commercial theatre in the city
 - community stake in ownership
 - improved public realm and streetscape in Middle Street/Ship Street
 - residential space
 - building on success

INSPIRATION



EXECUTIVE SUMMARY

References to page numbers are shown in square brackets

The Hippodrome is a **Grade II* listed building with an illustrious history** as one of the country's most prestigious dates on the variety 'tour'. It lies at the heart of the Old Town Conservation Area (OTCA) of Brighton and Hove. The building, still in the form of a lyric theatre, is in a **serious state of dilapidation** after nearly 13 years out of use. It has been number one on the Theatres Trust list of Theatres at Risk since 2013.

Theatre restoration

A full-scale theatre of the kind that would benefit the city's cultural offer requires the retention of the stage house and fly-tower and of the service yard accessed from Ship Street. That would enable use of the building as **one of the most flexible spaces in the country** [20], filling a gaping need for a venue of this size in the city, with a stage and seating capacity (1,250-1,500 seats) comparable in size to, or better than, most West End theatres and not available anywhere in Sussex.

Restoration will be achieved in three phases [15]:

1. to open Hippodrome House (the northern part of the building) as a Studio, café-bar and future theatre foyer on the ground floor, to bring visitors and everyday life to the Hippodrome while carrying out
 2. the restoration of the auditorium and stage-house. At this stage restoration of the existing theatre will be complete and the Hippodrome will be capable of presenting 90-95 per cent of touring shows.
 3. completion of the full lyric-theatre mode by upgrading the flytower to modern standards, to be ready to receive any type of production, however elaborate. This phase will be deferred until funding can be raised on the basis of proven theatre operation.
- Following acquisition of the freehold (price tba), the three phases will cost respectively £1.3m, £16.8m and £5.4m [18]. A provisional funding model for the cost of has been prepared [20].
 - The unique design of the Hippodrome will enable a wide variety of productions and events in a majestic setting.
 - *Intervention in the historic building will be minimal* but will adopt all possible measures for carbon-neutral operation, ecological efficiency and accessibility.
 - The restored Hippodrome will be *a destination in its own right*, with considerable appeal to the city's visitors and its relatively prosperous and cosmopolitan residents.

Operation and programming strategy

The restored Hippodrome will be of the critical size for it to be **profitable and require no public subsidy** for its ongoing operation. Examples of similar commercially successful theatres are Birmingham Hippodrome, Bristol Hippodrome, Manchester Palace, Norwich Theatre Royal and Southampton Mayflower [Appendix D].

- Three major UK theatre operating companies have expressed an interest in being appointed to manage the venue. All confirm the importance of the fly-tower and service yard and including a Studio with the restoration of the main theatre.
- Although an operating partner would transform the prospects with experience, economies of scale and a track record for attracting programming, this business plan has been prepared on the basis that the project would be run independently by an operating company formed for the purpose. Consequently
- **This plan is generally conservative and understated** in its assumptions and projections, including staffing levels.

Revenue and costs

Funding sources for the phased restoration are proposed, including a loan of £5m over 25 years from the Public Works Loan Board via BHCC. As a start-up, the operating company would also need working capital, estimated at £150,000, over five years. The cashflow projection shows that servicing these loans is readily affordable.

- On the basis of a seating capacity of 1,500 and overall seat occupancy in line with the national average of 61 per cent, and a cautious schedule of 207-350 performances a year, we forecast *gross box office revenue* of £7.93m in year 3 (the first year of full theatre operation), rising to £10.51m by year 7. Total income will rise from £9.70m in year 3 to £11146m in year 7 [32].



- Costs are forecast to total from £8.33m to £11.14m over the same five-year forecast period, leaving a cumulating positive operational cashflow balance of £1.02m in year 3, rising to £2.06m by year 7. After including allowance for servicing loans the latter figure is £1.04m. These figures include a contingency tapering from 25 per cent to 10 per cent.
- The quarterly cashflow projection [Appendix A] begins with the opening of the café-bar and Studio in year 1, two years before full operation of the main theatre.
- Reflecting standard theatre practice, ticket sales are allocated over a period of up to three quarters in advance. **The cumulative cashflow remains positive throughout.**



Brighton Hippodrome CIC

The CIC [Appendix H] was formed to develop and manage strategies for raising the funding for restoration and as the basis for partnerships and/or possible ownership.

- Following the preparation of an independent viability report in collaboration with a stakeholder group comprising the Theatres Trust, Historic England, Brighton and Hove City Council (BHCC), Academy Music Group and the Frank Matcham Society, the **CIC has raised over £100,000** to commission all preliminary work needed to proceed to the planning pre-application stage, working with a development partner.

This business plan has been independently reviewed and previous assessments updated by ACL Consultancy Solutions, which provides much of the following data.



The wider impact

All but one of the theatres that once attracted visitors to Brighton by the hundreds of thousands a year have gone. The entertainment market has changed but Brighton and commercial operators have not always found ways to change with it. **The city's leading position as a theatre town and the major south-coast cultural location has been eroded;** neighbouring towns are challenging.

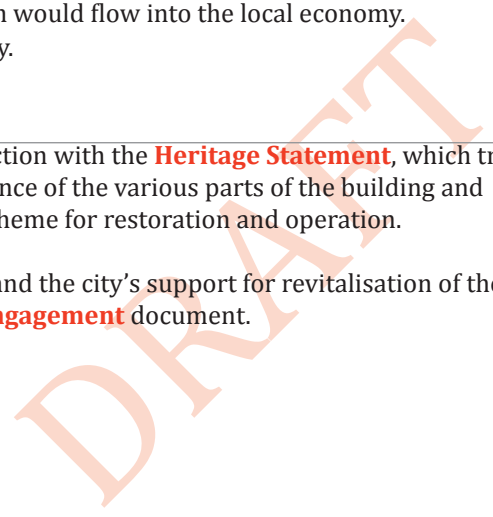
- Other towns and cities in the country, with less of a cultural/entertainment history than Brighton, are investing in theatre as a key element in revitalisation [13].
- Nonetheless, **the Hippodrome still stands and can be brought back to life** as one of the key elements in the city's cultural infrastructure. Its protection and preservation are a stated part of the city's cultural policy [see *Heritage statement*].
- Restoration of the Hippodrome would have a **major impact on the Old Town Conservation Area**, improving footfall and stimulating regeneration.
- The Hippodrome is uniquely placed to fill the gap in the city's cultural offer of a large-scale theatre, complementing the redevelopment of the Dome complex. We want to invest in **the city's reinvention** if itself for a dynamic and sustainable future.
- Re-opening the Hippodrome could have a **transformative effect** on the city's culture and a considerable impact on civic health and well-being and the city's economy.
- As well as the potential to stimulate regeneration in the Old Town, its wider impact on employment and gross added value (GVA) are assessed [12]. It is estimated that a total GVA of £7.7m a year would be generated in the local economy in addition to the Hippodrome's own contribution. This would add the equivalent of **another 10 per cent to the city's arts and culture sector GVA.**
- With an early-stages staff of 60 (fte), 106 jobs would be created elsewhere within the city, rising to **an additional 177 jobs** when the full complement of 100+ is achieved. This would **add £4.24m in gross salary** earnings, which would flow into the local economy.
- We will adopt the city's Living Wage policy.

Bringing the Hippodrome back to life would be a strong and telling indicator of commitment to the city's reviving self-confidence in its arts and culture offer.

Other documentation

This business plan should be read in conjunction with the **Heritage Statement**, which traces the history of the site, discusses the significance of the various parts of the building and outlines the implications of this proposed scheme for restoration and operation.

The history of the campaign for restoration and the city's support for revitalisation of the Hippodrome are given in the **Community Engagement** document.





TIMETABLE

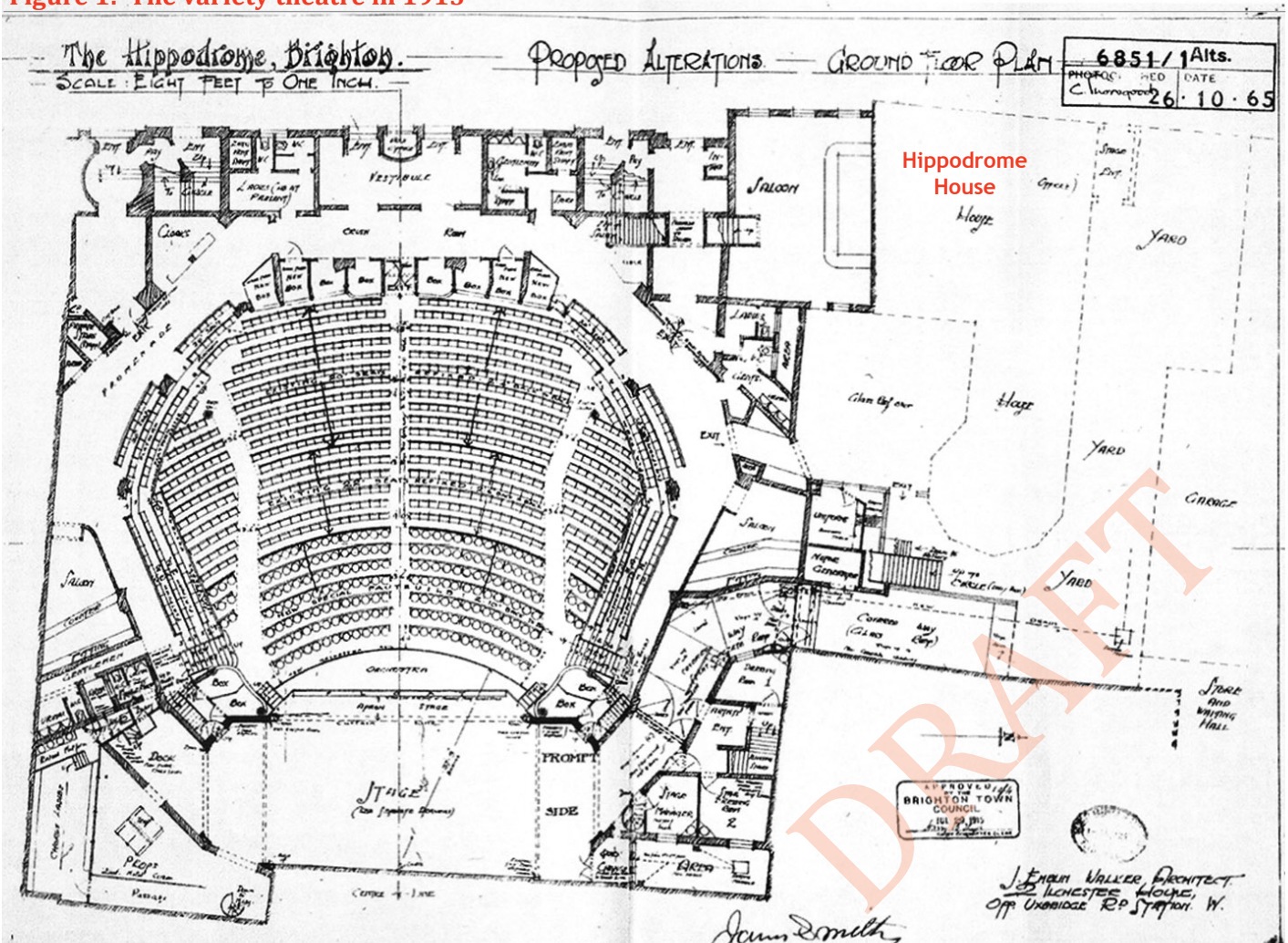
Year 0	Phase 1 restoration (Hippodrome House) begins
Year 1	Studio and café-bar open for business; Phase 2 restoration under way
Year 3	Main auditorium and rebuilt stage-house open

KEY FACTS AND FIGURES

Seating capacity of the restored Hippodrome	1,500
Admissions in year 3 (first year of main theatre)	190,000
Admissions in year 5	256,000
Admissions in year 7	322,000
Annual gross box office sales year 3	£7.93m
Annual gross box office sales year 5	£9.01m
Annual gross box office sales year 7	£10.51m
Operational cumulative cashflow balance at end year 3	£1.08m
Operational cumulative cashflow balance at end year 5	£1.31m
Operational cumulative cashflow balance at end year 7 (with loan repayment)	£1.04m
Jobs created in-house when in full operation (fte)	100+
Staff salaries annually	£990,000/£1.20m
Value of additional employment created elsewhere	£1.11m
Total economic impact on local economy (excluding turnover) year 1	£294,000
Total economic impact on local economy (excluding turnover) year 5	£9.94m
Total economic impact on local economy (including turnover) year 1	£11.99m
Total economic impact on local economy (including turnover) year 5	£23.22m

Turnover includes all income that would not arise if the venue did not exist.

Figure 1: The variety theatre in 1915



WHY THIS SCHEME?

Review of options

Full restoration of the existing theatre.

- For reasons this document makes clear, **this is the preferred option**. It alone fulfils the objectives of
 - retaining most of the heritage asset,
 - filling a gap in the city's cultural infrastructure and complementing other venues,
 - adding to the visitor economy,
 - stimulating the regeneration of the Old Town conservation area,
 - providing opportunities for employment with the benefits of boosting the city's resident economy,
 - creating a community hub, and
 - helping to attract inward investment and business growth.

Nationally the only theatres that survive and prosper without relying on subsidies from local authorities or state aid are those with seating capacities in excess of 1,200. Among them are some with worse sight-lines, smaller stages and less capacity than the restored Hippodrome, yet can still take in major touring productions.

The Hippodrome would benefit disproportionately from this economy of scale.

Use of the theatre for large-scale productions requires proper back-of-house access, a full complement of facilities for performers and technical staff, welcoming and accommodating access and circulating space for audiences, as well as the second-to-none sightlines and acoustics that Frank Matcham theatres are renowned for.

It is impossible to enter the Hippodrome for the first time without being struck by the architectural quality of the building's interior (worthy of Grade II* listing) and the history that has seeped into the fabric, to which performers are known to respond. The only alternative for the city to full restoration—building a new lyric theatre—is more expensive and will ever happen.

Retain only the auditorium.

- The most significant element of the listed building is the magnificent auditorium, remodelled from its skating rink origins by Frank Matcham.

It could obviously be used as a performance space of sorts. But it would lack most of the facilities essential for anything but a limited range of production types—eg, stand-up comedy, small-scale music shows, ballroom dancing.

An auditorium-only Hippodrome would inevitably become an alternative rather than a complement to the city's other cultural infrastructure, *competing for both performers and audiences* and diluting the offer. On the one hand, it would undoubtedly be easier to fund the capital side of this limited-size theatre than full restoration; on the other hand it would not fill the gap in the market and it is difficult to see how such an option could be viable and sustainable in a competitive market.

Venues of this kind exist elsewhere in the city, significantly at the Corn Exchange and The Old Market and,

on a smaller scale, at the Attenborough Centre, Brighton Open Air Theatre, Komedia and the Studio Theatre. (See Appendix E for a list of local venues and their seating capacities.) The relatively large potential seating capacity of the auditorium as a stand-alone space (up to 900-1,000), would be mismatched with the likely audience size (typically 250-500) for performance events staged in it.

Touring companies would regard as unacceptable the loss of the service yard for deliveries of sets, equipment, cast and crew, with access only at the front-of-house, normally used only by audiences.

Moreover, to surround the auditorium with an all-enveloping development renders the major heritage asset of less significance than whatever else occupies the rest of the site—making it an adjunct to rather than the centrepiece of the site.

One condition for the planning consent for cinema conversion in 2014 was that reversion to full theatre use was possible. Demolition of the fly-tower and stage-house and loss of the service yard would make this impossible.

One alternative proposed in the Colliers' International options and viability report⁴ would be to retain the auditorium and create a grand café/food market, like the Time Out Market in Lisbon. This could indeed be a suitable and viable failsafe option in the unlikely event that the full theatre failed. However, it should remain no more than a fallback option.

Do nothing.

- Let the building continue to deteriorate, blighting the Old Town neighbourhood for years to come, until the site is finally cleared.

This is clearly a non-option. For nearly 14 years the building has been empty and unused. It has become an eyesore, a scar on what should be a vibrant part of the city centre.

There have always seemed to be reasons why nothing could be done: pending planning applications, changes of ownership, marketing of the freehold. This clearly should not and cannot continue.

This report shows that the Hippodrome can be restored and operated viably and sustainably if the ownership and this plan can be brought into alignment.

Demolish the Hippodrome and build on the site.

- Apart from the desecration of a valuable Grade II* building, this would be a waste of what is already there.

This is clearly another non-option. Despite the deterioration, the building is intact, complete as a full-scale theatre and eminently re-usable. Nothing else could adequately replace it.

The Hippodrome as a driver for regeneration

Old Town Conservation Area

The Hippodrome is at the heart of the Old Town Conservation Area (OTCA). Its mediaeval origins are evident in the street plan and many of the buildings—notably 52 Middle Street (Hippodrome House)—are among the oldest in the city. On behalf of Brighton and Hove City Council the CIC sponsored the production of a Character Statement for the OTCA¹, which identifies the Hippodrome as the key building, restoration of which could play a major part in **regeneration of the whole area**. This was adopted by BHCC on 9 March 2017.

The next phase—a management plan for the OTCA—was adopted by BHCC in November 2018. The CIC is represented on the ongoing steering committee. Given the key significance of the Hippodrome in any regeneration of Middle Street and the whole OTCA, a planning brief specifically for the site and its context are overdue.

Urban regeneration

The Character Statement for the Old Town Conservation Area¹ (2017) concluded that: ‘Middle Street: the extensive vacant frontage of the Hippodrome has a blighting effect on this part of the street, whereas repair and refurbishment could regenerate the whole street. . . . Every effort should be made to build on the opportunities that arise in ways that enhance the qualities of the area. The major opportunity at present is the repair and re-use of the Brighton Hippodrome, which has the potential to revitalize the centre of the conservation area.’

Analysis of the impact of culture-led urban regeneration is still developing. The effects of the Hippodrome project should be monitored more thoroughly and consistently than has been customary, even among European City/Capital of Culture projects.

Visitor economy impact

Brighton and Hove aspires to the position it once had as a leading centre for tourism, with **popular culture and visitor attractions** as the main elements in the offer. It is in a potentially strong position to compete with other centres outside London. A total of 5,163,990 people visited the seven local attractions monitored by Visit England in 2017, a year affected by rail strikes. In 2017 the Palace Pier was the most visited tourist destination outside London, with 4.68m walking out over the sea; the British Airways i360 provided ‘flights’ for over 400,000 people; the Royal Pavilion attracted 325,000 visitors, of which 220,000 came in the six summer months from April to September 2017².

The Hippodrome as destination

As a destination, visiting the Hippodrome would be **an experience in itself**. In its heyday it was clearly a place that lodged in the hearts and minds of its audiences. So powerful are associations with the Hippodrome in popular memory that some people remember seeing acts there that never actually appeared.

The Hippodrome already has a strong latent **brand** that can be developed. The overwhelming support for theatre restoration (the OBH petition attracted over 16,500 signatures) confirms this. The Hippodrome’s restoration will be a major event in its own right, noticed far beyond the city and celebrated throughout the theatrical world.

It would therefore not be starting entirely from scratch as a theatrical venue. During restoration, a steady stream of editorial coverage in the press and broadcast media will be sustained during this period.

The Hippodrome will be part of the soft power creating lasting cultural value for the city (cf, The Beatles’ continuing effect in Liverpool).

Filling a gap

Most of Brighton’s larger theatres, on which the then town’s reputation was built, closed many years ago. Restoration of the unique Hippodrome will augment hugely the city’s capacity for staging cultural and entertainment events, not least adding to the potential range of the Brighton Festival, which runs for three weeks each May.

In particular, international dance, opera and large physical performance (‘circus’) companies cannot be invited to the Festival because of the lack of a suitable venue.

The catchment area

Detailed Mosaic analysis of the catchment area segments by household type, classified by drive time in 15-minute segments (see Table 1), and by ethnicity can be found in Colliers’ report. The area at all levels of drive time is strong among affluent home-owners and many with ‘a reassuring level of financial stability’. Brightonians travel to Chichester for theatre. A reverse direction can be expected for attractive productions.

Tourist visits and packages

Data for tourist activity are very slow to appear, so annual fluctuations may alter perceptions to a degree.

- The city attracted 11,234,000 visitors in 2016, an increase of 6.4 per cent from the previous year.
- This compares with a four per cent increase in England and a two per cent decline in the South-east. Of these

Table 1: Population within the drive time bands
updated 2018 for population growth

	<i>population</i>	<i>area includes</i>
0-15 minutes	224,053	city and southern downlands
16-30 minutes	332,734	beyond Lewes, Haywards Heath and Worthing
31-45 minutes	637,697	Arundel, Horley, Horsham, Crowborough, Bexhill
46-60 minutes	691,016	Chichester, south London suburbs, Tunbridge Wells

9,627,000 came for the day (up 5.8 per cent), leaving a total of 1,607,000 overnight stays, a gain of just over 10 per cent.

■ Total visitor spending in the city in 2016 is estimated at £885.9m, an increase of 3.2 per cent, averaging £79 per head.

■ Brighton & Hove remains consistently in the top 10 visitor destinations in the country. It had 465,000 inbound visitors from overseas in 2016, an increase of 42,000 since 2014 and 200,000 more than the estimate for a decade earlier—a 43 per cent increase.

■ Overnight stays amounted to 4,994,000 visitor nights in 2015. The figures for 2016 show a fall of 2.1 per cent in the number of visits but the average length and value of visits increased.

■ *Eleven per cent of visitors to Brighton in 2014 included a film, show, gig or theatre in their visit.*

■ Average spending on entertainment among all visitors to the city was as in Table 2; the extrapolated average allocates the spend to only the 11 per cent who paid for entertainment, with an estimate of current spending based on three per cent inflation.

■ Tickets for shows at the Hippodrome could be included in tourist packages with a hotel room and, say, a visit to the Royal Pavillion and a trip up the i360.

■ If only one per cent of visitors who stay in the city for two or more nights were to visit the Hippodrome, that would result in 100 per cent full houses (1,500 seats) for 10 performances, equivalent to a week and a half. We believe that is a realistic minimum target, alone representing around four per cent of target ticket sales for main performances in a full schedule.

■ In particular, on advice from theatre operators, we see considerable potential for reviving the summer season, following on from the Brighton Festival and Fringe in May, and for the panto season when the city is starved of such family entertainment.

Table 2: Average spending on entertainment

	<i>all</i>	<i>only the</i>	<i>end 2019</i>
	<i>visitors</i>	<i>11 per cent</i>	<i>estimate</i>
	£	£	£
domestic staying visitors	6.16	56.00	61.50
overseas staying visitors	7.26	66.00	72.50
day visitors on holiday	5.47	49.73	54.50
day visitors from home	3.16	28.73	31.70

ECONOMIC IMPACT

The latest assessment of the value of the arts and culture industry from Arts Council England concludes:

‘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 and induced 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.’⁵

Similar modeling applied to employment proposes a 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’.

On the basis of our cautious estimate of a core staff of 60 (fte), **another 106 jobs would be created elsewhere in the city.** At the likely stable complement of around 100 staff, **the rest of the local economy would benefit from 177 more jobs.**

In terms of monetary impact, ‘for every average salary of £30,789 earned by a person in the arts and culture industry, an estimated additional £42,420 in gross salary was earned elsewhere in the economy’. This implies **total additional gross salary earnings elsewhere in the city of £4.24m a year.**

GVA per fte employee in the arts and culture sector during the period 2009-2015 averaged £66,000 a year, compared with the average for UK business overall of £46,800. However, the average GVA per worker in the performing arts was £84,000 a year for artistic creation and £70,000 for support activities.

Classifying all Hippodrome staff as being in support activities, **a total GVA of £4.2m a year** would be generated directly on the basis of 60 staff or £7.0m with 100 staff; further value added would be created in other sectors. If 50 per cent of the Hippodrome staff were involved in artistic creation, **the figure would be £4.6m with 60 staff or £7.7m with 100.**

A recent study by the Universities of Sussex and Brighton found that around 1.4 per cent of the city’s GVA came from the arts and cultural services sector, compared with 0.4 per cent nationally.

The report valued the city’s arts and culture GVA at £76m, so the Hippodrome with a staff of 100 would generate the equivalent of **another 10 per cent towards the total GVA.**

Data from ACL³. See also for more detailed assessment of the market.

Extensive further information can be found in Colliers International report⁴.

Consumer spending

As well as performances and events generating revenue and providing employment within the venue, the employees spend their earnings within the local economy on food, accommodation and council tax, entertainment and travel.

Visitors to the city and a significant proportion of residents who attend performances are likely to spend money on food and drink.

The average annual spend per person on theatre tickets

was £53 in 2012. For every £10 spent on tickets,

- theatregoers also spent £3.96 on transport;
- 91 per cent of them also spent £6.42 on food;
- 88 per cent spent £3.96 on drinks.⁶

Significantly for Brighton and Hove as a tourist destination, 43 per cent of theatregoers spent an average of £42 a head on accommodation.

Spending also goes on food, transport, drinks and merchandise. The LiveAnalytics/Ticketmaster report shows that for every £1 spent on tickets, audiences spend £3 on other goods and services.

The chart shows the average spend per theatre ticket, adjusted by the proportion of the audience spending in each category. It shows clearly that for every ticket bought, theatre-goers spent twice as much again on associated goods and services.

Figure 2: Average consumer spending by theatregoers per ticket sold 2013



For every £1 spent on tickets, audiences spend over £2 on other goods and services elsewhere in the city.

Local authorities support theatres for city development

Even in these straitened times of austerity, a number of forward-looking local authorities have made direct investments in theatre projects, seeing them as integral elements in city centre development, to attract visitors, improve the public realm and boost the night-time economy.

▷ Canterbury Marlowe

In 2008 the City Council used £17m from its capital budgets towards the restoration costs of £25.6m. The forecast contribution to the local economy of £13.8m (£18.6m at 2018 prices) was exceeded by 60 per cent to £22m (£29.8m with inflation to 2018). The theatre has been handed over to a trust. The city's subsidy to the theatre has already been reduced and will taper off over the next five years.

▷ Colchester Mercury

£8.7m redevelopment has received £1m from each of Colchester Borough Council and Essex County Council. Arts Council funding unlocked a further £1m from the South East Local Enterprise Partnership.

▷ Edinburgh theatres

The City of Edinburgh Council has created a £5m fund for capital investment in the city's theatres. The King's Theatre has already raised a similar sum. The council now supports restoration of the Leith Theatre, which it previously proposed to sell off and demolish for housing.

▷ Leicester Haymarket

Leicester City Council contributed £3.6m to the Haymarket Consortium that has brought life back to the theatre that closed in 2007.

▷ Stockton-on-Tees Globe

The Borough Council is putting up £10.5m of the £15m renovation cost for the 3,000-seat theatre to open up the city centre's evening economy.

▷ Tunbridge Wells

A new 1,200-seat theatre will replace the council-owned Assembly Hall, partly to attract touring productions.

▷ Walthamstow Granada

Waltham Forest Borough Council bought the Grade II* former cinema in 2018 for £2.6m. Soho Theatre will operate the 1,000-seat venue. The council's cabinet report estimates that the renovated site will add £34m-£52m to the local economy over 10 years.

Source; Theatres Trust conferences

PLACEMAKING: THE BIGGER SCENE

Added value for the community

The benefits of a place of entertainment extend far beyond the walls of the theatre. In a place like Brighton, where the economy depends heavily on tourism, the value can spread widely. It should by now be obvious that restoration of the Hippodrome could have a transformative effect on the city's culture and a considerable impact on its economy and civic well-being. It would add to the vital top tier of the city's cultural and entertainment life.

Work in the creative sector is mostly person-intensive, even where technology is heavily involved. This fits well with the Brighton and Hove demographic profile.

Expansion of the sector, being resistant to automation, is therefore likely to create more jobs rather than replace people with machines or digital systems. Moreover the creative industries overlap significantly with digital technology to enable innovation.

The benefits of the arts and culture to the health and wellbeing of individuals and the community are now becoming more widely recognised and being introduced into policy-making⁷. As the NCVO briefing reports: 'Arts on prescription is a vital part of social prescribing, providing participatory creative activities that help to restore people's wellbeing, reduce anxiety, depression and stress and aid in the management of long-term health conditions.'

In St Helens, an arts-on-prescription service has shown a social return on investment of £11.55 for every £1 invested.' Brighton Hippodrome will reflect such findings in its community programme.

“The heart of placemaking is storytelling. What else is the arts more broadly and theatre specifically than storytelling?”
—Dr Cara Courage at Theatres Trust conference 17 October 2017

Placemaking is about a community's culture and traditions and consulting with and investing in communities must be at the heart of placemaking.

Theatre has a powerful role to play in placemaking by engaging communities and acting as a bridge between communities, local authorities, developers and other stakeholders.

Key themes at the Theatres Trust Conference 17, October 2017

Keeping it local

Brighton and Hove has a high level of self-employment in the arts. Actors have always travelled to where the shows were being staged but technical, managerial and support staff were resident locally. Some theatre workers who prefer to live in Brighton commute to London because **there are no opportunities to work in the city.**

Although this plan assumed a staff of around 100, it is worth noting that the Mayflower Theatre at Southampton—with a 50 per cent greater seating capacity—has a workforce of 230.

Bringing in the young

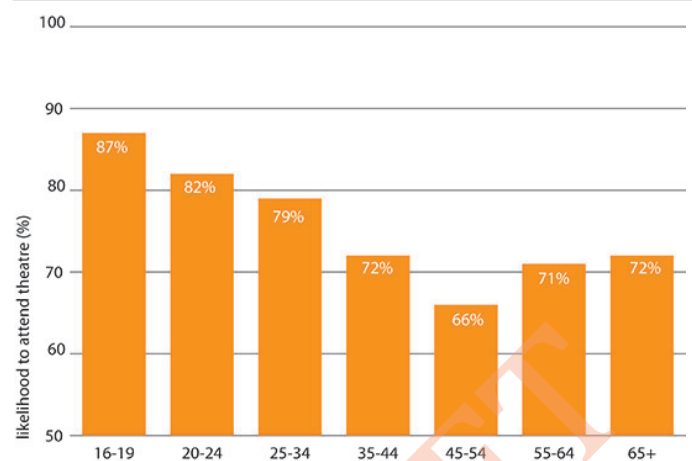
We believe a full-scale theatre of the size and splendour of the Hippodrome will have an inspirational effect that will help to build a theatregoing habit.

A change is already reported in the theatre audience profile. According to research by LiveAnalytics/Ticketmaster⁶ published in September 2013, young people are more likely to attend theatres than older age groups (see Figure 3).

Early in 2018 when *War Horse* was staged at the Brighton Centre, the under-25s made up a large proportion of the audience. Sadly, however engaging the production, the venue was not a theatre but a makeshift 'black box' venue, a one-off event, that could not instill a sense of 'theatre' to build future audiences.

Our proposed community programmes for young people (see Community engagement document) will promote the advantages of engagement in the arts.

Figure 3: Likelihood of attending theatre by age group



STRATEGY FOR RESTORATION AND OPERATION

RESTORATION

Objective and strategy

We will restore the Hippodrome, Hippodrome House and the access yard to the rear, to bring the historic fabric back to life.

We will restore a sense of identity and place in the heart of the Old Town. We will do this to emphasise the theatre's *authenticity value*, respecting its originality and uniqueness, as true to Frank Matcham's 1901 design—as modified by Bertie Crewe in 1902—as possible, but consistent with modern theatre practices and requirements.

Phased restoration

Restoration will be in **phases** to allow for the earliest occupation and use of parts of the building.

ACQUISITION AND PHASE 1

Immediate repairs and remedial work will be needed to prevent further deterioration. Historic England has indicated that emergency funding for repairs could be available.

The priority is to ensure that the building is weather-proof, secure and safe. We commissioned a detailed schedule of dilapidations²². As far as possible urgent repairs will be coordinated and scheduled with other restoration work.

Hippodrome House, which is relatively isolated from the rest of the site, will be extended to the boundary of the curtilage to create a new box office, bar/café and circulating area and the Studio (see page 25). This phase would also incorporate the 'enabling' development in the upper part of Hippodrome House and a start on Phase 2.

Estimated cost: £1.3m, plus acquisition is likely to be in a range to a maximum of £3m.

What this delivers

▷ The Studio would be available for hire as well as in-house use. The café would be open throughout the day, generating a revenue stream, putting the Hippodrome back on the map by welcoming the public into the building. Opportunities will be created to see restoration work on the auditorium.

Cost estimates

The estimates in Table 3 (page 18) are based on itemised costings in the report by Beadmans²⁷, delivered in June 2016.

In the light of the revised restoration plan, which has changed since then (although the requirements have not), the figures have been re-allocated by Foster Wilson

PHASE 2

The auditorium and stage-house will be completely refurbished. The plasterwork on the ceiling, walls, balcony and proscenium arch must be re-secured and, where necessary, replaced. Estimates from commissioned surveys and reports indicate a cost of £5m to cover dilapidations, including £1.6m for plasterwork. With inflation, these figures may now be £5.5m and £1.75m respectively.

Acoustic encapsulation of the auditorium will be undertaken. This will involve adding a secondary wall on the south side, which is contiguous with properties in Ship Street Gardens, and an additional 'skin' over the roof. The latter will provide the opportunity to incorporate new anchorage points for suspension of equipment and may provide additional useable space.

'Enabling' development above the yard: current plans indicate a potential for 25-30 apartments or a hotel.

Estimated cost: £16.8m + £5.4m = £22.2m.

What this delivers

▷ The magnificent auditorium with flexible raked and flat-floor options, the stage house, green room, dressing rooms, costume and wigs, technical areas, get-in access from the service yard and the final phase of the sustaining development.

PHASE 3

Reconstruction of the fly-tower and fit-out as a full-scale number one touring (lyric) theatre. However, upgrading of the flytower may be postponed until the final funding can be raised on the evidence of a successful theatre.

Estimated cost: £6.5m.

What this delivers

▷ The finest historic/contemporary theatre in the south-east region with full facilities for every type of show in a highly adaptable space.

Identification of years

Throughout this report, the initial period before opening of Hippodrome House is referred to as Year 0 and the two years before the main auditorium is completed as Years 1 and 2. Full operation therefore begins in Year 3.

Architects in consultation with Beadmans to their appropriate places in the restoration sequence. The figures have also been updated to Q2 2019 and are believed to be a fair estimate at the time of writing. The northern (Hippodrome House) part of the site and the surrounding yard is relatively isolated and development of this part of the project can proceed independently as Phase 1.

PREPARATION FOR RESTORATION

Requirements for theatre

A theatre must have a defined (but sometimes flexible) performing area with full stage facilities, permanent sound and lighting equipment, a stage house with dressing rooms and technical areas, and when possible a fly-tower. The Hippodrome has been, should be and still can be such a place. All such facilities remain in place for restoration within the building.

For the Hippodrome to be operated as a working theatre, the following are *essential* requirements:

- Retention of the stage house and fly-tower (and probable reconstruction of the latter at a later date) with new dressing rooms and technical facilities, grid at the required height, ventilation, etc.
- Retention of the rear service yard at street level for access for two articulated vehicles parked in parallel.
- Creation of a new entrance foyer with improved circulation space. Currently, the only suitable space on the site is the ground floor of Hippodrome House.

These requirements are recognised in the Old Town Conservation Area Management Plan.²⁸

Understanding the difference between a theatre and a ‘performance space’ is vital. Any room—such as churches, school or church halls, function rooms in pubs or exhibition halls—can be a performance space. Facilities will probably be minimal and may include nothing more than seats and, if possible, a room where performers can prepare. (In some Brighton venues—see Appendix E—this latter is the toilet.)

Viability

In response to the offer of a six-month moratorium by the then new owner of the Hippodrome’s freehold, Academy Music Group (AMG), an independent options and viability report was commissioned from Colliers International⁴ as the outcome of a tender process. The report was delivered to the stakeholder group (see below) in November 2015.

The report was funded by the Theatres Trust, Historic England, the Regency Society of Brighton and Hove and Our Brighton Hippodrome (OBH).

Colliers’ analysis was that restoration of the Hippodrome as a performance and events venue was

feasible. A two-stage development was proposed, each phase adjudged independently viable.

- The first stage would see the Hippodrome made weatherproof, secure and ready for use as a ‘theatre of varieties’, operating as a receiving house for a wide range of performances and events, including not only theatrical productions but also conferences, cabaret, sports, dances and dinners.
- The second phase would develop the capability of the building as a large-scale theatre (historically known as a ‘lyric’ or ‘number one receiving’ theatre), enabling the staging of full-scale opera, ballet and West End musicals.

The CIC’s three-phase programming plan assumes a reversion to the raked stalls floor with a demountable flat floor overlay, to give the maximum flexibility from the outset.

In this intermediate configuration restoration of the existing theatre would be complete and the Hippodrome could be used for many touring productions that are not dependent on elaborate staging or use of the fly-tower. Most shows do not require ‘flying’ of sets or performers. We estimate that 90-95 per cent of large-scale touring productions could be accommodated.

Nonetheless, **the fly-tower must be retained** and, if necessary reconstructed as part of the site development, in anticipation of the eventual fit-out for large-scale operations.

The building continues to deteriorate and the longer it is neglected, the more likely is the prospect of a serious structural event that could jeopardise any return to use.

Reports and partnership

The CIC has raised further grant funding (the total, including the viability report, in excess of £100,000) from sources named on page 3. In addition to Colliers International’s report, this has paid for:

- preliminary architectural plans (see Appendix f),
- two building surveyors’ reports (one specifically for the fly-tower),
- a costing of dilapidations repairs,
- a quantity surveyor’s detailed assessment of the costs of phased restoration,
- an acoustic assessment
- an independent review of the business plan.

The Hippodrome stakeholder group

The Theatres Trust
Brighton and Hove City Council
Historic England
Academy Music Group
The Frank Matcham Society
Our Brighton Hippodrome
Brighton Hippodrome CIC

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Flexibility

The unique flexibility of the Hippodrome’s design as a circus-theatre allows for considerable diversity of use of its auditorium. **This flexibility, unique among British theatres of this size, will be exploited to the full.** It creates the potential for the widest range of types of performance and is essential to the success of the restored Hippodrome.

A similar model is being developed to good effect in other theatres and venues around the country and is seen as a safeguard against changes in theatre and event style and practice.

Operational considerations will, to a degree, be innovative. Theatre is changing, immersive staging and experiments with (for example) virtual reality are being introduced. The opportunity to experiment with a variety of forms of presentation has to be seized. Who knows where theatre will go over the five-year period we have set ourselves from the beginning of practical operations.

The diagrams in Figure 4 show the four main configurations with projected seating capacity.

Thrust, in-the-round and circus modes will present unique opportunities that will attract performances for which such facilities are rare or non-existent in the city and indeed in many parts of the country. In the eventual lyric theatre mode, the Hippodrome will become the premier ‘number one’ receiving theatre (theatres seating 1,200+ to which major productions tour) in the region. The Hippodrome would thus become a leading national centre for live performance.

The Hippodrome’s stage size is comparable to most West End theatres. In large-scale (lyric) theatre mode it would therefore be suitable for transfers of virtually all large West End shows. See Appendix D.

Comparative size

For the purposes of this report, the seating capacity of the restored auditorium is estimated at 1,500—an ideal size to meet the needs of the city. Brighton has no other theatre of this size; the Theatre Royal notionally has 966 seats but 207 of these suffer from restricted sightlines. The capacity of the Dome is 1,700 but it is a concert hall and cannot be configured as a theatre.

Venues in the city are listed in Appendix E. This list is divided into three groups by seating capacity and runs to about 30 spaces, of which fewer than a dozen could be designated as theatres by the most generous definition. Among the four venues with more than 500 seats, only one is a theatre. Half the 10 venues with 200-500 seats could be described as theatres.

However, few others are capable of sustaining use as regular performance venues, in that they are at best ‘black-box’ spaces, lacking most basic theatrical facilities. Ten of them have fewer than 100 seats. Some are temporary.

There are numerous other spaces in church halls, schools and hotels that have to be pressed into use during the Fringe Festival to accommodate the demand for space.

The only other theatre of similar capacity to the Hippodrome in the south-east is Eastbourne’s council-owned Congress Theatre (1,689 seats), re-opened in March 2019 after an extensive period of refurbishment. The Chichester Festival Theatre seats 1,206 and the Marlowe at Canterbury 1,200,

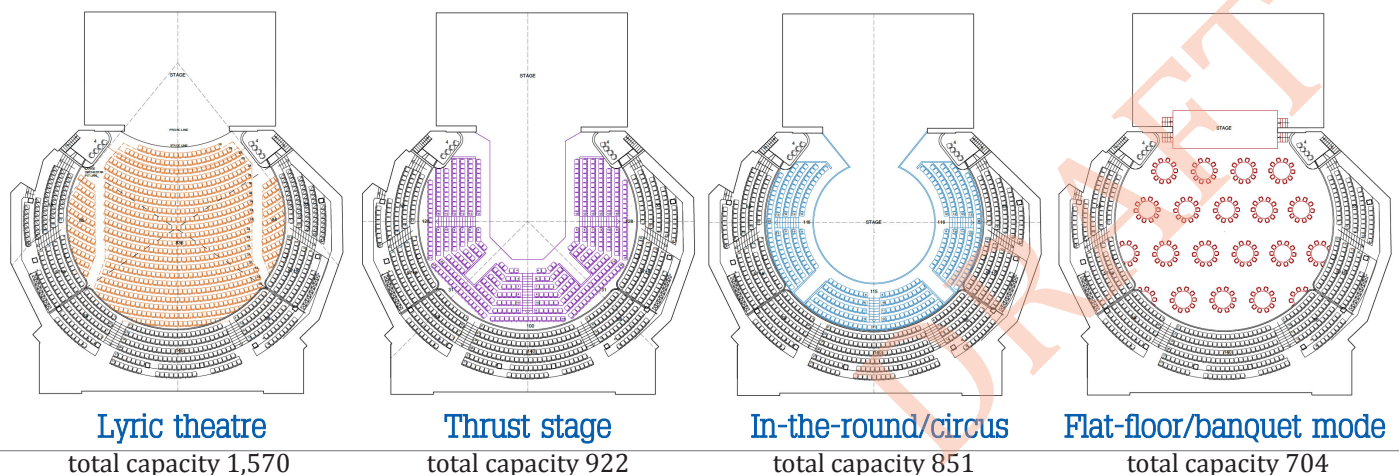
the fortunes of the latter being transformed since re-opening in October 2011 after an extensive rebuild.

Note on seating capacity

This business plan is predicated on a seating capacity of 1,500—slightly less than the total identified in the architectural plans. This total has been questioned by two of those who have reviewed the business plan: one as it may not allow for adequate circulation space (a point with which we disagree) and, more pertinently, that seats close to the proscenium will have poor sightlines to the whole of the stage.

We believe enough flexibility exists in a number of places in the business model to compensate. (Seats with reduced sightlines are usually sold at a discount.)

Figure 4: Alternative seating configurations and capacities



Source: Foster Willson Architects

By the end of Phase 2B, **restoration of the existing theatre will be complete** and the Hippodrome will be capable of presenting 90-95 per cent of touring shows. The final element in Phase 3 of upgrading the flytower to modern standards, will be deferred until funding can be raised on the basis of a successful theatre operation.

RESTORATION COSTS

Figures based on the report by Beadmans⁸ for the CIC, have been revised by Tim Foster to conform with the updated sequence of restoration that has changed in the interim. Beadmans' figures have been corrected for inflation to cover the intervening period. The three-phase programme is described on page 12.

Notes

1. Demolitions and on-costs shared proportionately between CIC (representing the theatre restoration) and developer. (representing the enabling development)
2. Professional fees added to CIC costs at 18 per cent and developer's costs at 12 per cent.
3. Fees % to cover all professional fees and statutory fees
4. All costs are exclusive of VAT.
5. Costs updated to Q2 2019. No allowance for future increased costs.
6. To be read in conjunction with Beadmans' Cost Plan dated June 2016.²⁷

Table 3: Restoration costs

		<i>CIC</i>		<i>developer</i>		<i>combined total</i>
PHASE 1						
Alteration and extension of Hippodrome House		£738,900		£1,075,600		
Demolitions		£52,000		£78,000		
On costs		£170,416		£255,624		
sub-total at Q2 2016		£961,316		£1,409,224		
tender price inflation	15%	£144,197.40		£211,384		
sub-total at Q2 2019		£1,105,513		£1,620,608		
professional fees	18%	£198,992.41	12%	£194,472.91		
Totals		£1,304,506		£1,815,081		£3,119,586
PHASE 2A						
Repair and restoration of existing theatre		£12,390,000		£0		
tender price inflation	15%	£1,858,500				
sub-total at Q2 2019		£14,248,500				
professional fees	18%	£2,564,730				
Totals		£16,813,230		£0		£16,813,230
PHASE 2B						
New-build residential and backstage areas		£3,179,100		£4,833,400		
Demolitions		£20,000		£30,000		
On costs		£757,232		£1,135,848		
sub-total at Q2 2016		£3,956,332		£5,999,248		
tender price inflation	15%	593,450		899,887		
sub-total at Q2 2019		£4,549,782		£6,899,135		
professional fees	18%	£818,961	12%	£827,896		
Totals		£5,368,743		£7,727,031		£13,095,774
PHASE 3						
Rebuilding of flytower, stage and theatre seating		£4,790,000		£0		
tender price inflation	15%	£718,500				
sub-total at Q2 2019		£5,508,500				
professional fees	18%	£991,530				
Totals		£6,500,030		£0		£6,500,030
Total costs		£29,986,508		£9,542,112		£39,528,620

Source: Beadmans, Foster Wilson Architects

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Sources of funding

The project will be administered by a suitable trust or similar body, which will activate the agreement reached by the CIC with a **development partner**, selected through a tendering process in 2016. Under this the freehold would be acquired by the partner (the asking price was then £2.4m) and transferred to a suitable community/charitable body set up by the CIC in return for a long lease for enabling development on the site. A cash injection of nearly £1m would be made subsequently. The partner is still interested and the agreement is ready for implementation.

During the preparation of this business plan, the CIC consulted **funding consultants** with extensive theatre experience on a *pro bono* basis and will consider engaging a consultant to undertake at least part of the fundraising for the project.

Adapting a model adapted from that first proposed in the Colliers International options and viability report and modified in the ACL Consultancy Solutions report, the target sources of funding matched to the restoration phasing are as shown in Table 4.

PWLB loan

The most straightforward and surest way of funding Phase 1 and Phase 2 of the project would be through a loan from the **Public Works Loan Board**, to be arranged through Brighton and Hove City Council (BHCC), secured against the value of the site. Unlike a grant, a loan would require repayment.

We have assumed a loan of £5m to be repaid on an amortised basis over 25 years but with repayment deferred until the start of Year 6, the third year of operation in the main auditorium. Interest over those first five years would be rolled up into the capital, which is increased thereby to nearly £6.4m. This effectively makes it a 30-year loan, with annual payments of £452,000.

If the total period of the loan is kept to 25 years with repayment still deferred for five years, the annual repayment would be £512,000. This version has been built into the cashflow projection. We believe the conservative cashflow projection (see Appendix A) will support either the 25-year or 30-year repayment schedule and possibly a shorter period of deferral.

We would hope to secure matching funding for the community donations, and possibly crowdfunding, from the Roddick Foundation on a similar basis that the granted to Brighton and Brighton Festival.



A view of the Hippodrome along Boyce's Street in 1955; note the roof



Table 4: Sources of restoration funding

	Acquisition (<£3m) + Phase 1	Phase 2A	Phase 2B	Phase 3*	TOTAL
	£m	£m	£m	£m	%
Target	4.30	16.81	5.37	6.50	32.98
Source					
PWLB loan	2.50	2.50			5.00
developer contribution		2.40	0.95		3.35
Heritage Lottery Fund	1.80	3.20			5.00
HE Repairs Grants for Heritage at Risk		0.25			0.25
Coast to Capital LEP		5.50	1.50	1.00	8.00
Coastal Communities Fund			0.80		0.80
grants/donations		1.50	1.50	1.00	4.00
HNWI		0.30	0.30		0.60
community shares/crowdfunding	0.27	0.50	0.23		1.00
sponsorship, naming, etc		0.50		0.25	0.75
Arts Council of England		0.90	0.60	1.30	2.80
TOTAL	4.57	17.35	5.88	3.55	31.35
proportion of target (%)	106.28	103.21	109.50	54.62	95.06
developer costs	1.82	—	7.73	—	9.54

For the phases of restoration and breakdown of restoration costs, see page 32.

*Funding for Phase 3 is to cover the costs of seating and theatre; delivery of the final element—upgrading of the flytower—will be postponed until the final tranche of finance can be raised on the evidence of a successful theatre; At that stage we believe an operator contribution to complete the lyric configurations for the remaining 5-10 per cent of touring productions would be appropriate. See the note on page 32.

Corporates, charities and agencies offering funding for arts and culture projects

Over £100,000

American Express
Fidelity Trust
Foyle Foundation
Garfield Weston Foundation
Linbury Trust
Wolfson Foundation [Historic Buildings]

Less than £100,000

D'Oyly Carte Charitable Trust
Hintze Family Charitable Foundation
The Pebble Trust

Other potential funding options

- The Architectural Heritage Fund makes loans to appropriate projects ranging from £15,000 to £1m at 6-10 per cent plus an arrangement fee. The AHF Community Support Fund makes unsecured loans of £15,000-£50,000 or in conjunction with community share schemes.
- In preliminary discussions with the CIC, the then BHCC Programme Director for Arts & Culture and the Visitor Economy has suggested that an approach could be made to the Treasury.
- Arts Council England (ACE) has a constantly changing range of funds. Although support for theatre restoration *per se* would not be expected, support for the fit-out and for performance and production is possible. ACE has been known, through Grants for the Arts, to support organisational development.

Seed funding

Working with a specialist in community project funding, we have identified a number of sources of start-up and development grants.

Working capital

Recognising that cashflow will be negative in the restoration and early operational period, we will seek a shorter-term loan over five years (currently set at £150,000) for working capital, the interest to be paid annually.

Public subsidy

Although restoration of the heritage asset will be possible only with grants and public sector loans, **the re-opened theatre itself will not require any form of public subsidy for its ongoing operation.**

Management

This report assumes that the venue will be operated by a company formed by us for that purpose. We will appoint a chief executive to oversee the build and restoration and prepare for operations, in addition to the project management team..

Operating partner

However, appointment of an established operating company would substantially transform the business plan: its track record would give confidence to producers about bringing work here. Economies of scale would reduce the costs of administration and supplies.

Four major theatre operating companies, including Ambassador Theatre Group, HQ Theatres and Hospitality and Trafalgar Entertainment⁵, **have expressed a strong interest in operating the restored Hippodrome** with full use of the stage house—or, as one of them put it to us, ‘we would not want another company to have it’.

We will negotiate with such potential partners during restoration to ensure that the Hippodrome can be operated as a state-of-the-art receiving and producing house.

Additionally, at least two major independent producers have declared an interest in bringing seasons of productions and/or pre-West End try-outs to the Hippodrome,

If one is appointed, we will ensure that the commercial operator respects and incorporates our community programme.

We have been in consultation and will work with Brighton Dome and Festival to facilitate bringing in larger-scale productions—in particular of opera, dance and ballet—that cannot be included in the Festival at the current time.

There is potential for further year-round collaboration with the Dome complex, itself currently benefitting from extensive restoration. Reviving the Hippodrome in parallel with the Dome will work towards re-establishing a critical mass of cultural infrastructure in the city.



*A sign found in the theatre
(and we hope it's still there)*

Production and event mix

The programme schedule aims to cover all types and styles of production and events to appeal to and build the widest potential audience. The CIC's strategy is to make the most of the flexibility afforded by this **uniquely versatile space**, including a raked floor in the stalls with the option of a demountable flat floor overlay.

The proposed indicative programme (Appendix B) for the purposes of preparing a financial forecast is based on observations of roughly comparable regional theatres: in particular Theatre Royal Norwich and King's Theatre Portsmouth. It is deliberately cautious and understated in scale as far as touring stage productions are concerned, building over the first five years.

This gives rise to a challenging consideration: what balance will be possible and practical between these various formats. Ideally we need a set of different scenarios. That given in Appendix B may be regarded as only one of the possible options.

■ We consider the potential for various types of production and events that could be presented at the Hippodrome on pages 22-24.

Meanwhile activity

Opportunities will be sought during the restoration to utilise the building and introduce a reliable revenue stream. Carefully controlled visits and tours to inspect the restoration process will be offered. *Several television companies have already expressed an interest in making a documentary programme about the restoration.* This will be taken up.

Aspirations and longer-term goals

■ Originating one or two summer-season revivals of classic musicals to go on tour after the Hippodrome run.

■ Originating weekly (twice-nightly) variety programmes to tour other (seaside) theatres.

■ To establish a repertory company led by a leading actor or director to produce short runs during the year (cf: Kenneth Branagh at the Garrick, Dominic Dromgoole at the Vaudeville). It is recognised that this will require careful management financially and logistically. However, it would have a national impact and reach.



①



②



③

PRODUCTIONS

Tickets for some shows are sold well in advance, providing a revenue stream well before the show opens. Sir Ian McKellen's 80th birthday tour in 2019 sold out an entire week's performances at the Theatre Royal Brighton seven or eight months in advance. But it is not only special productions: at early as April 2019, some performances of the year-end pantomime at the Theatre Royal Norwich were already 90 per cent sold out.

① Drama

Touring drama productions make a valuable and successful contribution to receiving theatres. Plays from the West End stage and in particular the National Theatre have largely bypassed Brighton or been presented in cut-down versions to fit within the limitations of currently available venues (notably the Theatre Royal). Almost all could be presented in the Phase 2 configuration of the Hippodrome—where Laurence Olivier made his debut.

We have received informal expressions of interest from leading producers (eg, Michael Grandage) to bring plays to Brighton for a six-week season if the Hippodrome were available. The flexible configuration options (see page 20) make thrust-stage and theatre-in the round possible.

Royal Shakespeare Company. The RSC tours each year to #1 receiving theatres. In its current season (2019/2020) it visits Blackpool*, Bradford, Canterbury, Glasgow, Newcastle*, Nottingham*, Plymouth and Salford. [Frank Matcham theatres marked *.]

The Hippodrome, in the thrust-stage configuration favoured by the RSC, would provide an opportunity for the company to perform in a similar format to Stratford. The RSC would be actively encouraged to visit. The OBH campaign received notable support from RSC staff, including the technical director, production manager and other heads of department.

Laurence Olivier (pictured) made his professional debut at the Hippodrome on 2 August 1925.

② Musicals

The cornerstone of touring theatre for some years has been the musical. These are enormously successful both when originating in the West End and on tour in number one receiving theatres in the regions. This option depends in some important cases on offering the full lyric theatre mode. Nonetheless, even in the early phase we expect to be able to mount those that do not require the most elaborate staging.

In the absence of such a venue in the city, many do not visit Brighton. Some of these productions can attract

premium ticket prices and would be among the most lucrative elements of the Hippodrome schedule. We are confident that producers like Cameron Mackintosh would wish to bring shows to the Hippodrome, including—as was regularly the case—for pre-West End try-outs.

③ Revivals

We will explore the possibility of establishing a summer season in which we would produce one or two revivals of popular musicals or dramas to appeal to the city's tourists and then tour the country. This is a medium- to long-term aspiration and would involve an established producer/producing theatre as a partner. Tax relief for regional theatre production would benefit this project.

④ Variety

We shall explore the market potential for variety shows to be produced at the Hippodrome and touring to maybe a dozen other seaside resorts during the season. We believe this market has yet to be developed but from preliminary enquiries there appears to be reasonable potential in current conditions.

'From a commercial point of view, having a short run [is less of a risk] . . . If one goes wrong, the next one comes along. With big product, if you've got a big musical and you've laid all your eggs in one basket, what's next? We believe the short runs offer a more appealing product to patrons, which should lead to more successful productions.'⁸

Whether a return to twice-nightly variety would be possible remains to be seen (although that really would revive the spirit of the Hippodrome).

Another theatrical genre that was a staple of Hippodrome programming week-by-week was the revue, immensely popular from the First World War until the late 1950s. A revue is more structured than variety and often more sophisticated—think Michael Flanders and Donald Swann, Harold Pinter and John Mortimer—although some of the big names in revue in the 1930s were the likes of the Crazy Gang.

⑤ Opera

Several nationally important opera companies go out on tour to #1 theatres, including (eg), English Touring Opera and Welsh National Opera. There is at present no suitable venue for large-scale opera in Brighton; the Dome Concert Hall, for all its other qualities, can accommodate only operas that require little more than basic staging.

Screenings of live relays of opera (eg, from the New York Met) would help build audiences for live shows.



⑥ Ballet and dance

English National Ballet, Northern Ballet, Ballet Rambert, Carlos Acosta and New Adventures Company touring productions (notably those choreographed by Matthew Bourne) would be part of the mix. Russian ballet companies continue to attract large and enthusiastic audiences as they did in the days when the Hippodrome received them (notably during the Cold War).

There is no theatre in Brighton suitable for larger-scale ballet. This aspect of the programming would complement the new facilities currently under construction in Circus Street for South East Dance and due for completion in autumn 2019.

⑦ Circus

We will exploit the Hippodrome's unique adaptability to stage circuses, adding to the touring itinerary of such companies as Cirque du Soleil, Cirque Berserk. Non-animal circus is now a key form of spectacle: innovative and exciting. The Hippodrome could provide a residency for a contemporary circus company, such as No Fit State. We draw inspiration from the Roundhouse in Camden, London, whose managing director, Marcus Davey, wrote:

‘There is a great lack of flexible round spaces and I certainly believe that the Brighton Hippodrome could be a highly valued and loved space that will lead to the regeneration of a neighbourhood. The Hippodrome is a jewel of a space that could once again stimulate the imaginations of artists and audiences alike. Positive communities are of course built through participation, communication and purpose. The Hippodrome, rebuilt as a place for performance and participation would lead to positive community building and a sense of increased pride in the area. It will increase employment and tourism possibilities and offer local audiences an incredible space of international importance on their doorstep. And through the 360 Network of international round venues Brighton would be further connected to creative and diverse cultures around the world.’⁹

⑧ Pantomime

The annual pantomime was a fixture of the Hippodrome in its variety days, running two or even three shows a day for 6-7 weeks from Christmas until early February. A high-class production could again be an attractive addition to the schedule for the Christmas holiday period for 4-6 weeks.

We would seek to work with an established specialist producer, such as Qudos, recognising that production costs can be very high. However, this would be the real cash generator for the theatre.

⑨ Comedy

Top comedians now fill such venues as the Hammersmith Apollo and even the O2 Arena. One-night stands on Sundays have proved very popular and some will be included in the Hippodrome schedule, avoiding undue duplication with the Dome complex. An aspiration: to emulate BBC Television's *Live at the Apollo*.



EVENTS

Film and event cinema

The Hippodrome will be an ideal venue for screening event cinema: live and recorded satellite relays of plays, opera and ballet from major companies, such as NT Live, the Royal Shakespeare Company and the Metropolitan Opera. Such events—presenting theatre in a beautiful theatre with a large audience and state-of-the-art projection and audio, rather than in a cinema—would be an unmissable and unforgettable experience.

We wish to develop a project, ideally in collaboration with the British Film Institute, to screen classic films from the National Film and Television Archive. The BFI used to fund a Regional Film Theatre in Brighton; we envisage pioneering a new version of that, working with other multivalent venues. (We believe the Grand Theatre Llandudno is thinking along similar lines.) This would be particularly useful to fill dark days in the programming schedule as it should be possible to make arrangements at relatively short notice.

We will also programme occasional presentations of classic silent films with live orchestral accompaniment.

Opportunities will also be created for the city's thriving but under-served film-making community, mainly using the Studio but perhaps with an annual 'best of' screening in the main auditorium.

Sporting events

The Hippodrome's circus-arena would be ideal for such activities as boxing, wrestling, darts and snooker. In terms of intimacy, for the latter it could rival the Sheffield Crucible. There is evidence of renewed interest in such events, notably wrestling. Provision for outside broadcast facilities will be taken into consideration during planning of the building.



Esports

Competitive video gaming as a spectator sport has become the basis of lucrative tournaments, especially in the Far East, United States and parts of Europe, notably Germany and Denmark. It attracts sponsorship, large prizes and advertising for the online streaming of events. It is estimated that the global online audience in 2018 was 380m, one event alone achieving an audience of 43m.

Global revenue generated in 2018 will grow by 30 per cent to \$905m, according to the World Economic Forum, with a total prize pool of \$24.7m and growing by 30 per cent a year. Growth in brand investment of \$517 in 2017 is forecast to push the total market value to \$1.5bn by 2020¹⁰.

Sponsorship is to date the largest financial contributor, worth over \$250m in 2017, followed by advertising. Franchising is expected to become a common factor.

Media rights are dominated by dedicated online streaming channels: Twitch, an Amazon subsidiary, paid \$90m in 2018 for exclusive rights to the Overwatch League, and YouTube Gaming. Facebook is also looking to enter the market¹¹.

Although major events are staged in stadiums, the market is now opening up for smaller venues. The EU Masters tournament was held at the 900-seat Leicester Haymarket, receiving favourable reviews from the gaming trade press. (Esports supporters are at least as enthusiastic as the most dedicated football supporters, are partisan and travel internationally.)

Esports leagues based on regional teams exist in other countries and we anticipate that this could happen in the UK. We will explore the possibility of becoming an early centre for this activity in the UK. Some Esports conference events and tournaments are held in multiple venues in the same city; again, collaboration with the Dome or the Brighton Centre is thus a possibility.

Conferences

Although conferences would be possible at the Hippodrome, they are not included in the mix. Any such bookings would therefore be supernumary.

This is a very competitive marketplace that includes the Amex Community Stadium, the Dome complex, Brighton Racecourse and numerous hotels. However, although accurate data is hard to source, the market potential for conferences and exhibitions in Brighton is thought to be limited, with the existing spaces unused for much of the time and now being taken out of use.

The prospect of a new conference centre between Churchill Square and King's Road is likely to reduce the need for additional town-centre facilities.

Two-thirds of conferences are limited to a single day.

Other events/venue hire

In flat-floor mode the Hippodrome can be used on a limited scale for a wide variety of events from corporate launches, markets (it would be particularly appropriate for vintage fairs) and exhibitions, to ballroom dancing and weddings. Why not the southern equivalent of Blackpool's Tower Ballroom for one of the heats of *Strictly Come Dancing*?

Both the city's universities hire large venues for degree ceremonies, and such events could serve particularly as part of the community and educational outreach programmes. The University of Brighton hired the Brighton Centre for four days in February 2018 and we have received enquiries from its School of Art and Architecture about holding final degree shows in the Hippodrome. Fashion degree shows would be an obvious extension of this. The University of Sussex has hired the Brighton Centre for five days in July 2020 for its summer graduation.

The cashflow projection assumes no income from such sources after year 5.

Location hire

The interior of the auditorium will appeal to broadcasters. We would market the theatre as a location for film and television productions.

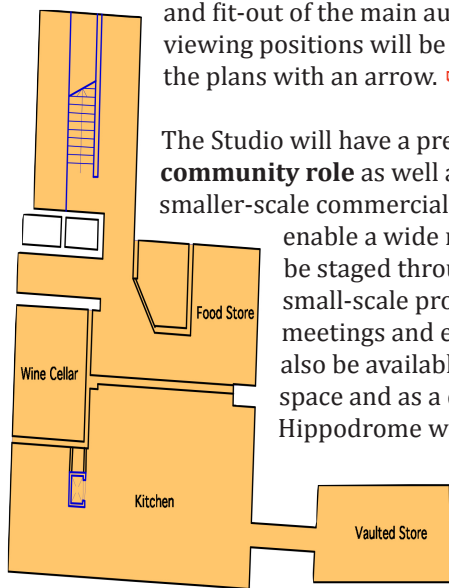
The use of the Hippodrome for private hire will be a key activity of the marketing team and could be lucrative. However, no income from this activity is included in the cashflow projection.

DRAFT

Phase 1: Hippodrome House: The Studio and café-bar

Creation of a Studio and café-bar will have priority as Phase 1 of the restoration and will be crucial in drawing people into the venue and creating a 'buzz' around a changing variety of daytime uses and users.

The café-bar will be brought into use at the earliest opportunity. It will be open throughout the day as a gathering place while work continues on the restoration and fit-out of the main auditorium, for which viewing positions will be provided, marked on the plans with an arrow. →



The Studio will have a predominantly **community role** as well as serving for smaller-scale commercial operations. It will enable a wide range of events to be staged throughout the day: small-scale productions, talks, meetings and exhibitions. It would also be available as rehearsal space and as a dance studio. As the Hippodrome will be a prestige

venue, the opportunity for local groups to work on a smaller scale in the same complex will have an **aspirational impact** within the city.

The Studio will be a flexible space that could be used for rehearsals, meetings, small performances, lectures and film presentations. It will come on-stream at the end of the first year of restoration, while construction and fit-out continues on the main auditorium

The space will be equipped for digital video projection. This is important not only for screening an art-house cinema programme to celebrate the city's film heritage but more especially for the city's cultural community, which includes an unusually large number of film-makers, who currently screen films in usually unsatisfactory makeshift/pop-up venues.

The Studio will be budgeted to break even on a revenue and cost basis once the whole theatre is operational to support its function as a community space.

However, even in the short-term such staged events will build audience awareness of the building's qualities and keep the Hippodrome open and active during the day—and perhaps half the time in the evening as well—building footfall and **spearheading the regeneration** of Middle Street and the Old Town area.

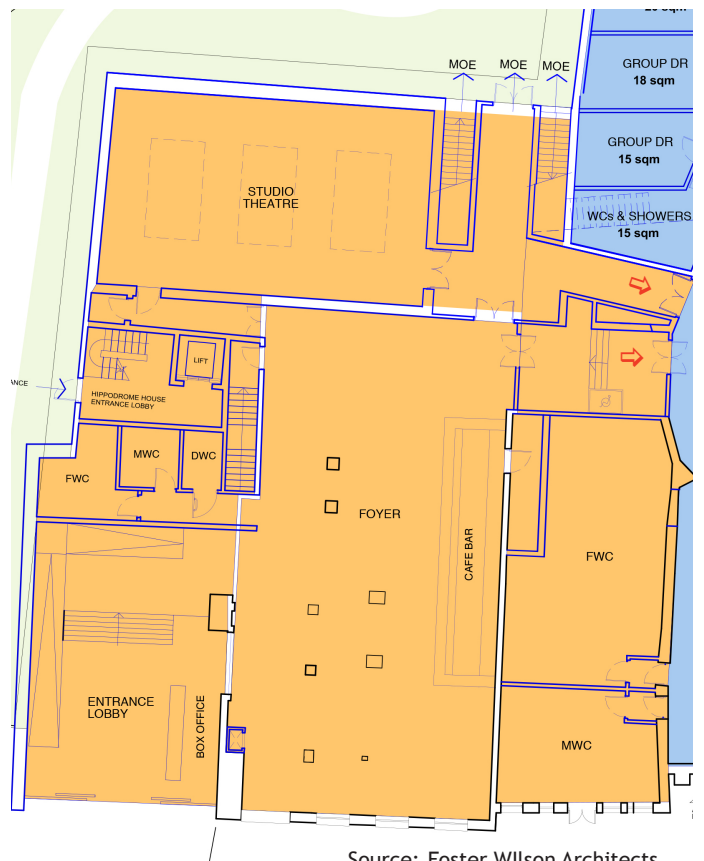
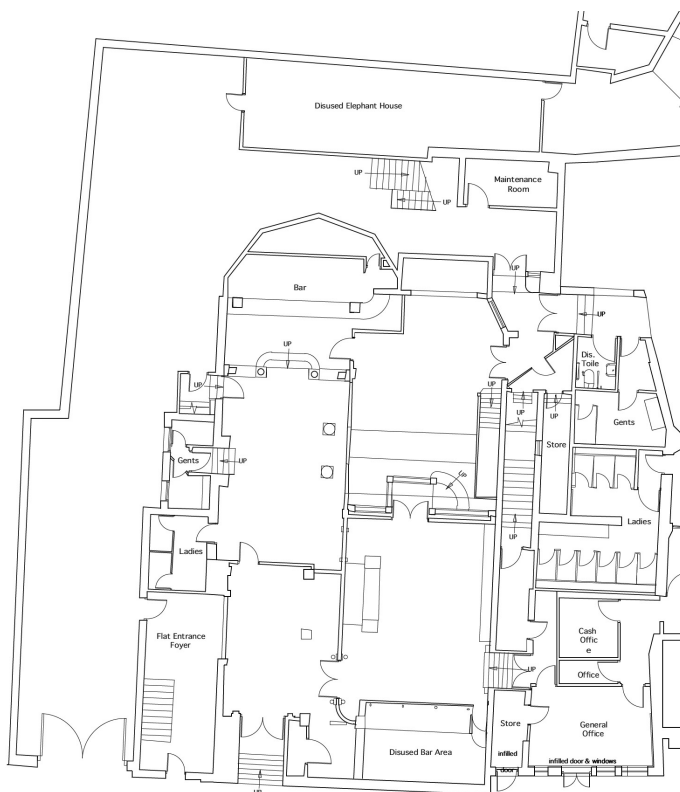
Figure 5: Layout of Hippodrome House

Far left: basement catering and bar service area.

Below left: The current layout of Hippodrome House and yard.

Below right: Hippodrome House ground floor, extending the building to the perimeter wall, the white lines indicating approximately the existing structure.

For the full set of plans see Appendix F.



Source: Foster Wilson Architects

Clearly business will depend on time of day and could be seasonal to a degree. For the purposes of planning, it is assumed there will be 40 covers, that the average number of customers will be 25 per hour throughout the day (peak: 100, minimum: 0).

In the first instance, food—pastries, pies and pasties, sandwiches, salads, cakes—will be high quality, perhaps ‘artisan’ style (our model is the best local coffee houses and cafés), will require minimal in-house preparation and be locally sourced. **Our aim is to support local enterprise** whenever possible. Specially prepared food could be introduced in due course.

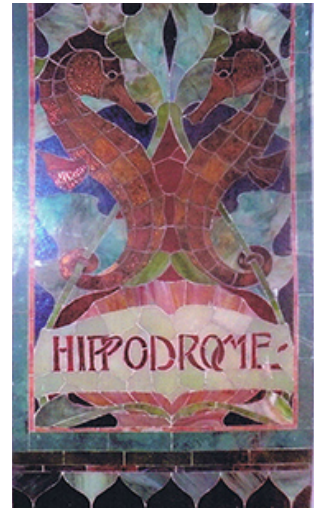
The café-bar

Until the main auditorium is re-opened, the café-bar will be open every day, provisionally from perhaps as early as 08:00 (theatre breakfasts) to 18:30. It will also be open in the evening when shows are booked in the Studio.

Table 5: Staffing for the café-bar and Studio

until integrated with the main theatre in Year 3

	<i>n (fte)</i>	salary £	total £
studio manager/bookings	1	25,000	25,000
café manager	1	24,000	24,000
admin assistant	1	18,000	18,000
marketing	0.5	24,000	12,000
bar staff	2	16,500	33,000
double on evening show days*	0.2		6,600
stewards on evening shows: volunteers	4	free tickets	
sub-total			118,600
on-costs (30%)			35,580
total			154,180



Part of the ground floor of Hippodrome House, where the café-bar will be

As currently planned, the Studio measures approximately 13m x 8m, making an area of 104m²/1,000ft².

The booking manager and marketing will seek to maximise the number of lunchtime and evening shows in the Studio. We are allowing for two years between the opening of the Studio and the main auditorium and theatre facilities.

Based on experience at other venues and knowing the latent demand during the one-month period of the Brighton **Festival Fringe**, we reckon on an average of 1.5 daytime shows and 3.0 per evening, each allowed 90 minutes. No other events are scheduled during May.

The Studio

Table 6: Target capacity and hiring rates

capacity	no	hiring rates		£
standing	200	hourly	minimum 2 hours	25.00
seating in rows	125	whole evening	18:00-23:00	125.00
cabaret style	75	shows	~20% of GBO, 65% occupancy, av ticket £15	average 250.00
		Fringe	30% of GBO, 50% occupancy, av ticket £12	average 225.00

Table 7: Studio: working assumption for occupancy

	daytime				evening			
	time	Y1 n	Y2 n	rate	time	Y1 n	Y2 n	rate
lunchtime talks	2 hrs	22	22	hourly	one-nighters	48	72	shows
lunchtime music	2 hrs	11	11	shows	Fringe shows	90	90	Fringe
Fringe shows		45	45	Fringe	community	11	18	Fringe
meetings	2 hrs	48	60	hourly	film club	3 hrs	11	hourly
					meetings	2 hrs	48	hourly

Based on these parameters, we project revenues and costs:

Table 8: Café-bar and Studio operations

	revenue		costs		surplus	
	Y1	Y2	Y1	Y2	Y1	Y2
Café-bar	452,745	493,864	260,658	217,065		
Studio	53,225	61,300	21,500	21,500		
Staffing			154,180	154,180		
total	505,970	555,164	436,338	392,745	69,632	162,418

Thereafter the café-bar and Studio are included in the main theatre

We anticipate steady demand for meetings in the Studio, given the shortage of suitable spaces in the town centre and the number of groups needing space—amenity groups (eg, Regency Society); yoga, pre-natal, meditation classes; political groups and trades unions (eg, Equity). U3A, etc.

Two bookings a week is probably a cautious underestimate. We will encourage community performance groups to use the Studio as a hub and will offer favourable rates.

There will be only minimal back-of-house facilities for performances until the main theatre stage house facilities are ready.

DRAFT

MARKETING STRATEGY

Audience building and retention

Brighton & Hove is a relatively prosperous and cosmopolitan city. Latest OCSI data shows that ‘cosmopolitans’—defined as ‘Residing in densely populated urban areas, high ethnic integration, high numbers of single young adults without children including students, high public transport use, above average qualification levels’—make up 41.9 per cent of the city’s population (4.9 per cent is the English average)¹³.

The identifiable pool of potential customers is already pre-disposed towards theatre and performance. The city sustains the largest arts festival and Fringe in England, second only to Edinburgh in the UK.

The challenge is to attract the much larger segment of the population that has not acquired a theatre-going habit. Other theatres are developing such strategies—eg, the WTF ‘pay what you decide’ and ‘Hush Hush’ approach to unfamiliar work at the Lowry in Salford¹⁴.

There is recent evidence that once familiar with and accustomed to the practice, theatre-goers are prepared to pay for more expensive seats to ensure a more enjoyable experience¹⁵.

In a study described as the first to compile comprehensive figures for ticket sales across the country, increases in ticket prices were found not to be a deterrent. Prices rose between 2013 and 2014 by 5.1-5.4 per cent for musicals and straight theatre and 4.8 per cent for pantomimes. Overall box office revenue outside central London rose by more than 10 per cent at a time when the number of performances rose by less than one per cent¹⁶.

- A scheme to offer a limited number of tickets to young people on the day will be proposed, similar to the Prologue scheme at Chichester¹⁷.
- Special matinee performances for schools will be offered.
- Live theatre relays (event cinema, such as NT Live, see page 25) at lower prices than are charged for West End admission, are making London less attractive when significant travel might otherwise be involved.

Corporate membership and sponsorship

Four levels of corporate membership will be offered: bronze, silver, gold and platinum, each offering in turn an annual allocation of tickets and, at higher levels, display of the company name and logo, advertising in programmes and brochures, events. The Theatre Royal Plymouth has 65 corporate members, producing £122,900 a year (plus VAT). We would aim to build up to this level over five years and would allocate significant marketing staff resources.

Sponsorship will be sought for specific projects or bodies of work.

Other corporate and community funding

Naming rights to the theatre or seasons could be a major source of additional revenue. This will be explored in due course. Seat naming will provide an additional source of capital funding for restoration. Fixed seats in the circle and outer stalls will be offered at £500. Seats in the centre and side stalls, which may be removable and thus not always visible, will be priced at £250. The name would be displayed for 10 years and would be acknowledged on the website. We would aim to sign up patrons for between one third and half of the available seats within three years, raising around £31,000-£50,000.

See Appendix F for details of membership and sponsorship schemes.

DRAFT



STAFFING

We believe the Hippodrome could operate initially with a permanent staff of 55-60 (full-time equivalent, fte). The provisional staff is as follows, with salary level, exclusive of on-costs.

Table 9: Staffing levels and salaries

			salary	in post from
Management General manager and deputy.	Chief executive	1	50,000	(Y0) outset
	deputy	1	35,000	0.5 to Y1 Q4
Marketing/administration A marketing team in place from an early stage during Phase 1a to promote and arrange hiring of the Hippodrome spaces for events and manage daytime use of the building.	Marketing/admin manager	1	32,000	0.5 to Y1 Q2
	deputy	1	28,000	Y2 Q4
	assistants	2↗4	26,000	Y2 Q4
Finance Bookkeeping, managing receipts and payments.	Finance head	1	32,000	Y2 Q3
	deputy	1	28,000	Y2 Q4
	assistant	1	25,000	Y4 Q1
Education/outreach Community engagement, liaison with educational institutions, apprenticeships, placements, in-house training.	Education/outreach manager	1	25,000	Y2 Q4
	deputy	1	24,000	Y3 Q1
	assistants	2↗4	22,500	Y3 Q1
Box office Open 10:00-20:00 daily; 1.5 shifts with overlap.	Box office manager	1	22,000	Y2 Q2
	others	3↗5	18,000	Y2 Q4
Technical Manager and five others. Operation and maintenance of sound, lighting, IT, electrics. Casual technical/stage crew charged to visiting shows when not included with the production.	Technical manager	1	30,000	Y2 Q2
	others	3↗5	25,000	Y2 Q4
Front-of-house Manager; bar/catering/confectionery, some full-time for daytime opening, others only during operational weeks. Programme sales, ticket collection, ushers/stewards, required only during performances. Living wage allowed.	Front-of-house manager	1	25,000	inc Studio
	front-of-house	20↗40	BLW	Y3 Q1
	stewards (Studio)		volunteers	Y1 Q1
Stage door/runner Stage door reception, mailroom, back-stage co-ordination, messages.	Stage door senior	1	20,000	Y2 Q4
	receptionist/runner	1	16,000	Y2 Q4
Maintenance General repairs, basic stage management (four-day week).	Maintenance	2	16,500	Y2 Q4
Catering/bars Servicing of bars, preparation of food, stock management and ordering.	Catering manager	1	25,000	Y1 Q1
	deputy	1	23,500	Y1 Q1
	others	2↗14	16,500	Y1 Q3

Summary of permanent staffing

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Theatre staff	0	12	16	41	47	52	54	59
Education/community	0	0	1	4	4	5	5	6
Management/administration	3	6	8	10	11	11	11	11
Catering/bars	0	6	6	12	13	16	20	22
TOTAL	3	24	31	67	75	84	90	98

BLW Brighton Living Wage hourly rate

Staffing for theatre operation

- A chief executive will be appointed at the start of the restoration project.
- Senior management/technical/marketing staff appointed nine months before opening.
- Middle level/senior box office staff appointed six months before opening.
- Admin/general support staff appointed three months before opening.
- Staffing on-costs are included at a flat rate of 30 per cent of staffing costs.
- Rates for venue hire would include staff costs plus mark-up; hire days not included here



General management

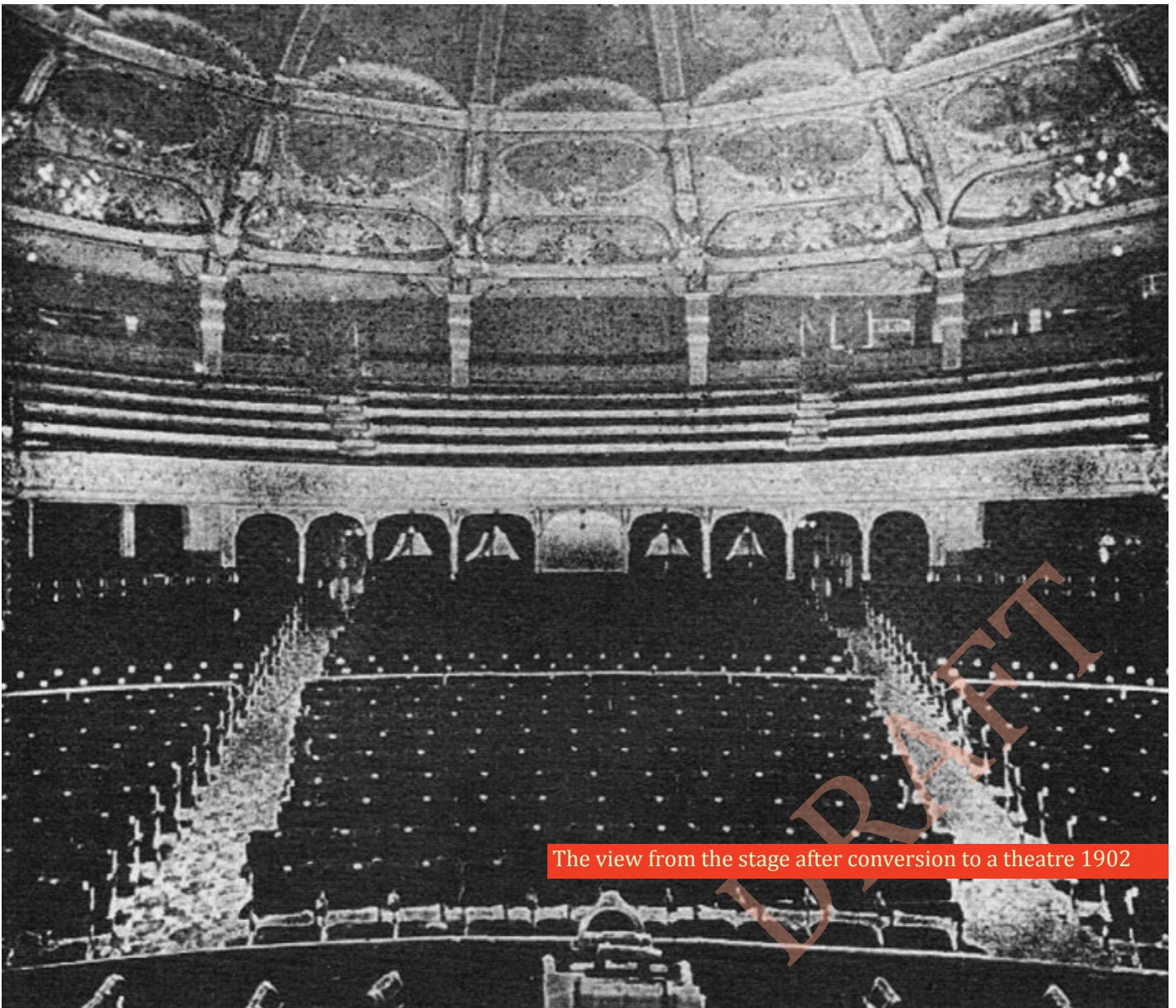
- Cleaning would be contracted out.
- The estimate for total administrative costs given here could be halved in the event of working with a commercial partner as most accountancy, HR and IT functions would be handled by the head office as part of the management arrangement.
- Day-to-day fundraising will be contracted out when not undertaken by volunteers.
- As the community programme develops, more staff would be needed to co-ordinate activity, arrange sponsorship and manage the daytime use of the building. The team would also promote and arrange private hiring of the Hippodrome spaces.
- For originating productions (eg, variety shows, pantomimes, revivals) we would work with independent producers on an *ad hoc* basis.

Supernumerary

- We will introduce **apprenticeships** across the range of functions in a working theatre, in particular where support from government initiatives is available¹⁸. An employment survey by SOLT/UK Theatre (June 2017) identified a shortage of skilled workers in areas including lighting, automation, marketing and finance, and senior management.
- We will offer **internships and placements** to theatre management and technical students from (eg) the theatre departments at Croydon College and Northbrook Metropolitan College at Worthing and the city's two universities.

Salaries

- We would adopt the city's **living wage** policy as a baseline. This would apply to front-of-house staff. As of 1 April 2019 this is £9.30 an hour. We would display the Living Wage logo to show our commitment to the scheme.
- UK Theatre/BECTU Agreement rates for 2019-2021 are £8.81 an hour (Grade 1) and the National Living Wage (2020/21) of £8.72 for Grades 2-4 and for Grade 5 over 25s; £6.45 for age 18-20 and £8.20 for age 21-24..



The view from the stage after conversion to a theatre 1902

Assumptions

We have created a business model in which revenues are calculated from the typical annual schedule (see Appendix B), allowing for the length of the run and number of performances, average ticket price and forecast seat occupancy in the case of each production.

NB: all figures are indicative and are in general cautious rather than optimistic.

Methodology

The following assumptions and protocols have been adopted in the financial modeling, based on a seating capacity of 1,500 for proscenium and circus modes, 1,400 for thrust-stage and theatre-in-the-round and up to 1,000 for flat-floor events such as events. Conferences and cabaret have individually assigned capacities.

Rates of seat occupancy relate to the expectations for the type of show and range from 50 to 85 per cent. The rate of seat occupancy (61.3 per cent) is consistent with the national average for regional presenting theatres with a capacity of over 1,000 (62 per cent in 2018). The average ticket price averaged over Years 3-7 (£30.62) is slightly lower than the national average of £32.59 in 2018.²⁰

Capacity and programming

Provisional designs by Foster Wilson Architects project the following seating capacity in Table 10.

For simplicity we have assumed a seating capacity of 1,500. **This size is critical for resilience:** the UK Theatres analysis of sales data for 2018 found that only presenting theatres with a capacity of over 1,000 saw an increase in yield, smaller theatres failed to keep up with inflation.

Seat pricing has been split into three notional bands: band A for 40% of seats, B for 35% and C for 25%. In practice, prices are often differentiated into more bands and tickets priced according to the type of production and day of the week. We have not included any premium

Table 10: Projected maximum seating capacity

<i>Ground floor</i>	
outer seating	98
rear boxes	25
slip boxes	12
stalls centre block	845
stalls side blocks	169
Ground floor total	1,149
<i>Circle</i>	
circle seating	378
circle boxes	8
Circle total	386
Total seated	1,535
circle standing	16

Source: Foster Wilson Architects

pricing, nor higher weekend prices. On the other hand, we have not allowed for discounts either.

Appendix B shows a minimum programme for the first year of operation. This is based on the programmes and ticket pricing at comparable regional theatres, scaled down to reflect the start-up period. As this initial first-year (Year 3) performance programme accounts for only 161 days of the year, we would expect to fill some of the remaining weeks with other events and community activity to build potential audience awareness. Performance activity increases to 275 days (48 weeks) by Year 7. We have scheduled indicative additional days for conferences and standard hire, as shown in Appendix B. These are not included in the revenue projections.

Margins and take-up

- 1 Payment to touring companies of 80% of box office revenue (see Forecasts, [page 31](#)).
- 2 Booking fee of £1.50 paid on 50% of ticket sales.
- 3 Programme sales to 25% of theatregoers, paying £3.50.
- 4 A building levy of £1.50 per ticket sale, paid on 50 per cent of ticket sales .
- 5 Merchandise. In addition to items supplied by visiting productions, the Hippodrome's own history will be exploited.
- 6 Bar sales to 25% of theatregoers spending £7.00 each.
- 7 Catering sales of bar snacks to 3% of theatregoers, spending £7.00 each. The daytime café is expected to be the principle source of revenue from catering.
- 8 Confectionery sales to 2% of theatregoers, spending £2.50 each; inflation: 2% pa.
- 9 Ices sales to 20% of theatregoers, spending £3.00 each.
- 10 Building tours fortnightly in groups of up to 12 at £8 a head pre- and peri-launch, then every other month; curator talks every other month for audiences of up to 50 at £5.00 head.
- 11 No allowance has been made in the forecasts for growth in merchandise sales, theatre tours and daytime café business over the five-year period..
- 12 Margin on programmes and confectionery: 30%, merchandise, catering and ices: 40%, bar: 65%.
- 13 Standard hire fee of £1,500 a day for the main auditorium, £750 for fit-up/get-out days, plus staff as required at £15.00 an hour. It is assumed that as the number of touring and other productions increases, less time will be available for private hires. Minimal hires or conference activity are included after year 3.
- 14 Utilities assumes building restoration to optimal eco efficiency.
- 15 Business rates assumed 45% of an estimated ratable value of £90,000; however, this is currently waived by the local authority for charities.
- 16 Maintenance costs rise by 20 per cent a year.

Forecasts

- Based on a main auditorium seating capacity of 1,500 and a rising schedule of 207-350 performances a year, we forecast gross box office revenue of £7.93m in year 3, rising to £10.51m by year 7, based on an average seat occupancy of 61.3 per cent—in line with the national average for receiving theatres (see above).
- We are variously advised that the share of box office revenue passed on to producers could be anywhere from 50 per cent to more than 80 per cent. For an introductory period producers may also require a guarantee, allocated before the revenue split from new and untested theatres. This may be reduced or eliminated by the standing of our commercial partner but is still expected to arise in some cases. We are assuming a 20:80 split between the theatre and the producer; this will yield net box office revenue of £1.59m in year 3, rising to £2.10m by year 7. Cashflow could be improved by introducing a delay before settlement and negotiating a different split.
- Estimates for front-of-house sales (programmes, merchandise, bar, catering, ices and confectionery) are roughly in line with our research of published accounts from other regional theatres. We forecast FOH sales revenue of £1.03m in Year 3 and £1.45m by Year 7.
- We forecast total income of £9.70m in year 3, rising to £12.71m by year 7.
- Annual costs are forecast to total from £8.33m to £11.14m over the five-year period, excluding loan repayment.
- The forecasts are made on a purely cash basis.
- We recognise that the provisional net operational cashflow is likely to change. At this stage we are not able to estimate some costs that may arise, such as servicing loans, bank charges or other borrowings. Work continues on these aspects. Revenue calculations include booking fees but not such factors as credit card charges, etc. The budget should be regarded as indicative and will be subject to further revision as the project progresses.

- All calculations at this stage are VAT neutral. Theatrical, musical or choreographic performances of a cultural nature qualify for exemption from VAT¹⁹. Output tax on other goods and services may be at least offset by reclaimed input tax. However, we do not expect to apply for exemption as this would not allow us to reclaim the substantial VAT incurred on costs associated with the restoration work.
- Additional funding will be sought for meanwhile activity as part of the phased restoration and may generate additional revenue but will not have a significant effect on the bottom line and is not factored in here. This will include, for example, pop-up museums, possibly in partnership with other local venues and enterprises.

Cashflow projection

As well as preparing an annual statement of revenue and costs, we have modelled the quarterly cashflow projection for operational activity. This adopts the assumptions and methodology described above and is derived from the annual revenue and costs forecasts. The breakdown into quarters is based on modelling of the potential programming schedule through the year (see Appendix B).

For the purposes of estimating cashflow, it is assumed that 10 per cent of bookings will be made two quarters in advance (in practice some shows are sold 9-12 months or more in advance—see page 22), 40 per cent one quarter in advance and the remaining 50 per cent in the quarter of the performance. *This is a significant factor as the revenue will have been received in advance but most costs would not yet have been incurred* and the share owed to the producer may not be disbursed until after the production.

Revenue is allocated quarterly according to the number of productions in the dummy annual programme.

- Catering, bar and other supplies are included on a just-in-time basis with no payments in advance. Bar costs include an additional 20 per cent for the daytime café; catering costs include an additional 40 per cent for the daytime café.
- There is no general allowance for inflation. Most increases in revenue and expenditure reflect growth in the business.
- A five per cent contingency on costs has been included.
- In practice, there would be an overlap with the operation in Phase 1 and a legacy of revenue and costs carried forward from both the capital and operational budgets.

“Arts and culture contribute to the health and well-being of the city, help to build diverse communities and improve our quality of life. Great art and culture can inspire learning for people of all ages, boost our local economy and enhance our national and international reputation—adding vibrancy to our city and contributing to economic growth.

—Royal Pavilion and Museums Trust Arrangements—Progress Update, January 2018

Income and expenditure

These figures are based on operation of the theatre by its own management and are suitably cautious and conservative.

We believe these anticipated results and cashflow projection would generate a significant return to attract a commercial operator.

For consideration of VAT see page 32.

Table 11: Annual income and expenditure

For timetable see page 9.	initial	studio	theatre					
	restoration	opens	opens					
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
	£	£	£	£	£	£	£	£
WORKING CAPITAL (drawdown)	150,000	0	0	0	0	—	—	—
INCOME								
ticket sales (gross)	—	0	1,779,148	7,930,998	8,546,987	9,272,897	10,110,882	10,512,953
tours/meanwhile activity	—	—	—	2,304	2,304	2,304	2,304	2,304
bar/catering/ices/confectionery	—	↓	↓	627,602	636,971	668,346	770,930	842,247
daytime café-bar	—	401,513	755,213	307,800	307,800	307,800	307,800	307,800
programmes/merchandise	—	0	0	218,923	219,693	212,392	235,748	252,007
Studio	—	181,406	215,906	188,088	177,431	222,525	234,713	291,994
venue hire	—	0	0	116,750	116,750	99,500	95,750	86,300
advertising	—	0	0	64,000	64,500	65,000	65,500	66,000
<i>Funding</i>								
grants	—	0	0	0	0	0	0	0
Friends	—	0	0	105,000	140,000	175,000	192,500	210,000
corporate/sponsorship	—	0	0	135,000	135,000	135,000	135,000	135,000
total income	150,000	582,919	2,770,267	9,696,464	10,347,436	11,160,734	12,151,137	12,706,605
EXPENDITURE								
<i>Producer payments</i>	—	0	0	6,145,019	6,664,593	7,206,012	8,205,216	8,410,363
Studio	—	134,175	161,250	134,250	134,250	170,325	180,075	225,900
<i>Management and administration</i>								
salaries, inc on-costs	83,200	173,648	444,145	1,230,869	1,308,431	1,367,847	1,496,885	1,561,898
recruitment/training, development	—	0	17,924	11,695	11,795	11,795	11,795	11,795
marketing, inc launch	—	0	62,500	125,000	131,250	137,813	144,703	151,938
Studio	—	154,180	154,180	↑	↑	↑	↑	↑
<i>Supplies</i>								
bar/catering/ices/confectionery	—	44,817	49,812	314,138	317,564	311,551	348,939	375,437
programmes/merchandise	—	0	28,800	145,630	146,359	142,700	159,000	161,460
<i>Ongoing costs</i>								
utilities	2,500	10,000	92,500	120,000	126,000	132,300	138,915	145,861
business rates	—	10,000	32,875	40,500	41,310	42,136	42,979	43,839
banking/audit/accountancy/legal	—	4,000	18,125	13,500	13,500	13,500	13,500	13,500
insurance/licensing/etc	10,000	2,500	28,750	35,000	35,000	35,000	35,000	35,000
office/IT/equipment	2,500	0	7,500	2,500	250	250	250	250
<i>Servicing loans</i>								
PWLB restoration (30-year)	0	0	0	0	0	0	452,000	452,000
PWLB restoration (25-year)	0	0	0	0	0	0	512,000	512,000
working capital	7,500	7,500	7,500	7,500	157,500	—	—	—
total expenditure ex loan repayment	105,700	540,819	1,105,893	8,325,732	9,087,931	9,571,362	10,777,387	11,137,371
with 30-year loan repayment deferred	105,700	540,819	1,105,893	8,325,732	9,087,931	9,571,362	9,813,387	10,173,371
with 25-year loan repayment deferred	105,700	603,869	1,105,893	8,325,732	9,087,931	9,571,362	9,873,387	10,233,371
Contingency (25% ~10%)	26,425	135,205	276,473	1,665,146	1,363,190	1,196,420	1,077,739	1,113,737
annual cash surplus (deficit)	17,875	(93,105)	1,387,900	(294,414)	(103,685)	392,952	296,001	455,497
rolling cash balance before loan repayment	17,875	(75,230)	1,312,670	1,018,256	914,571	1,307,529	1,603,524	2,059,021
30yr loan repayment deferred until Y6	17,875	(75,230)	1,312,670	1,018,256	914,571	1,307,529	1,151,524	1,155,021
25yr loan repayment deferred until Y6	17,875	(75,230)	1,312,670	1,018,256	914,571	1,307,529	1,091,524	1,035,021

SUSTAINABILITY AND ACCESSIBILITY

Construction and restoration

The Hippodrome is a listed building in which intervention affecting the historic fabric should be minimal. Within that consideration, and subject to budgetary constraints, we will seek to improve thermal insulation (in conjunction with acoustic encapsulation) through the use of energy efficient building materials and other environmental measures.

Ecological operation

As far as possible we would aim for carbon-neutral operation. We will seek to implement policies and schemes for

- renewable energy generation (wind and solar power);
- sourcing bought-in energy from ethical suppliers;
- comprehensive waste management;
- low-energy lighting;
- intelligent heating and cooling;
- triple glazing where possible;
- harvesting rainwater;
- recycling waste water;
- waterless urinals; etc.

Costs

It is recognised that reducing ongoing building management costs by improving performance will inevitably be possible only by frontloading costs into the restoration programme. We will therefore seek funding from agencies and other sources that support these objectives.

Accessibility

We will comply with best practice for disability and other access, including access for performers with disabilities, to the highest specifications. This will include ramps, lifts backstage and handrails to assist mobility.

Hearing loops will be provided and some performances will include audio description and signing for audiences with impaired sight and hearing.

Front-of-house and stage management staff will be fully trained in support for disabilities.

FUTUREPROOFING

The Hippodrome closed as a theatre in 1964 after more than 60 years because the market for entertainment was changing. It was not the only one to go dark; theatres were not keeping up. Cinemas nationwide were also in decline. We do not want that to happen again.

It is impossible to anticipate with any certainty how arts and culture in general—let alone theatre—will be transformed over the next decade or two. Therefore we must prepare to be flexible.

The theatre itself will have options for staging (see page 19); it will be ready for the immersive productions that are now beginning to appear, involving the audience in the performance and which we expect will attract new, especially younger audiences. Lighting, audio and video equipment will be close to the cutting edge.

However, new technologies and staging techniques are emerging in exciting and unpredictable ways, driven by imagination and vision that are focused on innovation. *We will encourage that vision into the Hippodrome.*

Brighton is one of the UK's leading centres for digital innovation, has the fourth best provision of ultrafast broadband and the highest concentration of work on immersive technology in the country. We will work with that sector of the local economy and monitor developments in, for example, 5G technology to ensure that such facilities are available for use in the theatre.

DRAFT

For a complete history see the [History|Heritage](#) report.
See also the [Community engagement](#) report.

Summary history

The Hippodrome is a Grade II* listed building in the Old Town Conservation Area (OTCA) of Brighton and Hove.

■ The original 1897 skating rink was converted into a circus (hippodrome) in 1901 to a design by Frank Matcham, the quality of whose auditorium is the principal reason that it has a Grade II* listing.

■ Buildings designed as circuses, once common across Europe, are now extremely rare everywhere. Only two others survive in the UK: Great Yarmouth Hippodrome and Blackpool Tower Circus—both enjoying significant resurgence and success. Brighton Hippodrome is unique in being also a variety theatre, thus of the most outstanding value.

■ It was modified by another noted theatre architect, Bertie Crewe, to become a variety theatre that opened on 22 December 1902 and, with further modifications in 1915, it was unchanged until 1955, when the stage house was enlarged to its current form.

■ The theatre closed in November 1964.

■ A flat floor was installed over the raked stalls floor in 1966 when the theatre was briefly used as a television studio, overlaid by a further flat floor when it became a bingo hall in 1967.

■ The conjoined Hippodrome House, officially 52 Middle Street, is a pair of early 19th century Georgian houses. Two conservatories were added at the rear in 1887, one of which remains. The house was effectively integrated into the Hippodrome complex by 1901. A tea lounge was open on the ground floor by 1910; this became a licensed Palm Court in 1919. The building is essentially unchanged since then. Two flats, at least one occupied until recently, remain on upper floors.

■ The Hippodrome had only a small car park/rear access space until 1964, when the mews-type row of buildings off Ship Street was demolished. The yard (a separate parcel of land, designated 20-21 Ship Street) was enclosed with a front wall and gates in 1994.

Current state of the building

The bingo hall closed in August 2006 and the building has been unused since then. The Hippodrome has therefore deteriorated over many years and through four changes of ownership. Intervention could have happened earlier. The time allowed for each new owner to prepare plans has exacerbated the problem.

Consequently, the extent of work needed to restore the Hippodrome will be considerably more than would have been necessary, due to prolonged procrastination.

The external appearance of the long (60-metre) Middle Street frontage is rapidly deteriorating and has a wholly negative effect on the entire streetscape. This needs to be addressed at an early stage. Similarly, the service yard (former car park) is in poor condition and constitutes an eyesore.

Urgent work

Before the theatre can be brought into use the building must be made secure, repaired and restored. Brighton Hippodrome CIC has joined the Theatres Trust and Historic England in requesting Brighton and Hove City Council (BHCC) to consider issuing the following notices:

a. A repairs notice under Planning (Listed Buildings and Conservation Areas) Act 1990, section 48. This specifies repairs to be carried out for the long-term preservation of the building. The notice conventionally includes a schedule of required work as an appendix; this could be prepared from the report prepared by Burnley Wilson Fish for the CIC²².

b. Section 215 notice under the Town and Country Planning Act 1990. This secures improvement in the external appearance of a building that undermines the amenity of the local area. Reason: the building is now a magnet for graffiti²³.

c. A notice under sections 76-79 of the Buildings Act 1984 should be issued. This deals with defective premises, dangerous buildings and neglected sites that may be a nuisance or prejudicial to health and safety'. Reason: there is evidence of recent trespass in the auditorium and across the roof, documented on YouTube.

d. A community protection notice under sections 43-46 of the Anti-social Behaviour, Crime and Policing Act 2014, because allowing the 'persistent or continuing' deterioration of the building's condition has an impact 'on the quality of life of those in the locality'.

Understandably, any such intervention by BHCC is deferred while the prospect of a planning application remains. However, deterioration continues and may be accelerating.

Informal relationships

The CIC has established and is maintaining a relationship with **Brighton and Hove City Council** (BHCC) to co-operate on planning and related matters and to ensure that the Hippodrome is fully integrated into plans for the city's continuing economic development, in particular as a key element in the future cultural infrastructure currently under review.

The CIC sponsored the Character Study of the Old Town Conservation Area (OTCA) on behalf of BHCC. The report clearly identifies Hippodrome restoration as the crucial catalyst for regeneration of the Old Town.

The **Theatres Trust** has been actively supporting and aiding the project from its inception. The Hippodrome has been number one on the Trust's list of Theatres at Risk (TAR) on six consecutive occasions.

Historic England (HE) financially supported commissioning of the Colliers International viability report. Having raised no objection to the cinema conversion planning application in 2014, we believe HE now recognises that theatre restoration is a practical proposition.

APPENDIX A

Quarterly cashflow projection: operational

This table breaks down the revenue and expenditure by allocating them to the quarter in which they arise. In practice, this affects primarily only revenue from ticket sales, which are as described on page 32. Some salaries are incurred up to three quarters before operational launch. No allowance is included for a legacy from the earlier stage (Phase 1a) of the restoration, including operation of the studio space and daytime café, which is unlikely to be significant and could be absorbed in the capital costs.

Table 12: Quarterly cashflow projection

	YEAR 0	STUDIO OPENS	YEAR 1				YEAR 2			
	£		Q1 £	Q2 £	Q3 £	Q4 £	Q1 £	Q2 £	Q3 £	Q4 £
WORKING CAPITAL (drawdown)	150,000		0	0	0	0	0	0	0	0
INCOME										
ticket sales (gross)	—		—	—	—	—	—	527,447	1,271,701	—
tours/meanwhile activity	—		—	—	—	—	—	—	—	—
bar/catering/ices/confectionery	—		↓	↓	↓	↓	↓	↓	↓	↓
daytime café-bar	—		95,206	115,895	95,206	95,206	184,674	201,191	184,674	184,674
programmes/merchandise	—		—	—	—	—	—	—	—	—
Studio	—		21,861	115,824	21,861	21,861	31,270	122,097	31,270	31,270
conferences/venue hire	—		—	—	—	—	—	—	—	—
advertising	—		—	—	—	—	—	—	—	—
<i>Funding</i>										
grants	0		0	0	0	0	0	0	0	0
Friends	0		0	0	0	0	0	0	0	0
corporate/sponsorship	0		0	0	0	0	0	0	0	0
total income	150,000		117,066	231,719	117,066	117,066	215,944	323,288	743,390	1,487,645
EXPENDITURE										
Producer payments	—		—	—	—	—	—	—	—	—
Studio	—		17,264	82,384	17,264	17,264	24,648	87,307	24,648	24,648
<i>Management and administration</i>										
salaries, inc on-costs	85,800		42,472	44,933	42,472	42,472	43,961	68,675	77,111	192,648
recruitment/training, development	—		—	—	—	—	—	5,000	5,000	7,964
marketing, inc launch	—		—	—	—	—	—	0	31,250	31,250
Studio	—		38,545	38,545	38,545	38,545	38,545	38,545	38,545	38,545
<i>Supplies</i>										
bar/catering/ices/confectionery	—		11,204	11,204	11,204	11,204	12,453	12,453	12,453	12,453
programmes/merchandise	—		—	—	—	—	—	—	—	28,800
<i>Ongoing costs</i>										
utilities	2,500		2,500	2,500	2,500	2,500	2,500	30,000	30,000	30,000
business rates	—		2,500	2,500	2,500	2,500	2,500	10,125	10,125	10,125
banking/audit/accountancy/legal	1,000		1,000	1,000	1,000	1,000	1,000	8,375	5,375	3,375
insurance/licensing/etc	10,000		2,500	2,500	2,500	2,500	2,500	8,750	8,750	8,750
office/IT/equipment	2,500		0	0	0	0	0	2,500	2,500	2,500
<i>Servicing loans</i>										
PWLB restoration (30-year)	0		0	0	0	0	0	0	0	0
PWLB restoration (25-year)	0		0	0	0	0	0	0	0	0
working capital	7,500		0	0	0	7,500	0	0	0	7,500
total expenditure ex loan repayment	106,700		118,309	185,891	118,309	125,809	152,319	290,743	264,769	398,063
with 30-year loan repayment deferred	0		118,309	185,891	118,309	125,809	152,319	290,743	264,769	398,063
with 25-year loan repayment deferred	0		118,309	185,891	118,309	125,809	152,319	290,743	264,769	398,063
Contingency (25% ~10%)	26,675		29,577	46,473	29,577	31,452	36,557	66,871	58,249	83,593
quarterly cash surplus (deficit)	16,625		(30,820)	(644)	(30,820)	(40,195)	27,068	(34,326)	420,372	1,005,989
30yr loan repayment deferred until Y6	16,625		(30,820)	(644)	(30,820)	(40,195)	27,068	(34,326)	420,372	1,005,989
25yr loan repayment deferred until Y6	16,625		(30,820)	(644)	(30,820)	(40,195)	27,068	(34,326)	420,372	1,005,989
rolling cash balance										
30yr loan repayment deferred until Y6	16,625		(14,195)	(14,840)	(45,660)	(85,855)	(58,787)	(93,113)	327,259	1,333,248
25yr loan repayment deferred until Y6	16,625		(14,195)	(14,840)	(45,660)	(85,855)	(58,787)	(93,113)	327,259	1,333,248



The deficit peaks in Q1 of year 2, suggesting working capital of, say, £1m would be adequate. The cumulative balance remains positive from Q2 of year 4, or from Q3 of year 2 if repayment of loans is deferred until the start of year 4.

If the panto is produced in-house with a partner, some of the producer payments would be returned to the theatre. On a 50:50 basis this would amount to around £175,000 a year, £875,000 over five years.

All values are best estimates based on expert advice and comparison with other theatres. No allowance is made for inflation, any increase in costs being absorbed in sales prices.

Table 12: Quarterly cashflow projection *continued*

	MAIN AUDITORIUM OPENS	YEAR 3				YEAR 4				YEAR 5	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
		£	£	£	£	£	£	£	£	£	£
WORKING CAPITAL (drawdown)		0	0	0	0	0	0	0	0	—	—
INCOME											
ticket sales (gross)		1,752,678	1,864,015	2,071,938	2,242,367	1,796,375	2,035,081	2,327,649	2,387,882	1,882,399	2,136,337
tours/meanwhile activity		576	576	576	576	576	576	576	576	576	576
bar/catering/ices/confectionery		146,753	115,529	240,425	124,896	138,600	109,111	256,558	132,702	190,956	126,167
daytime café-bar		76,950	76,950	76,950	76,950	76,950	76,950	76,950	76,950	76,950	76,950
programmes/merchandise		51,191	40,299	83,866	43,567	47,803	37,633	88,487	45,769	60,675	40,089
Studio		25,750	110,838	25,750	25,750	22,844	108,900	22,844	22,844	38,688	118,650
conferences/venue hire		29,188	29,188	29,188	29,188	29,188	29,188	29,188	29,188	24,875	24,875
advertising		16,000	16,000	16,000	16,000	16,125	16,125	16,125	16,125	16,250	16,250
<i>Funding</i>											
grants		0	0	0	0	0	0	0	0	0	0
Friends		26,250	26,250	26,250	26,250	35,000	35,000	35,000	35,000	43,750	43,750
corporate/sponsorship		33,750	33,750	33,750	33,750	33,750	33,750	33,750	33,750	33,750	33,750
total income		2,159,085	2,313,394	2,604,692	2,619,293	2,197,211	2,482,313	2,887,127	2,780,786	2,586,071	2,617,394
EXPENDITURE											
Producer payments		2,068,250	1,398,452	1,243,506	1,434,812	2,038,250	1,598,231	1,593,384	1,405,029	2,423,441	1,243,539
Studio		18,750	78,000	18,750	18,750	18,750	78,000	18,750	18,750	31,425	85,800
<i>Management and administration</i>											
salaries, inc on-costs		313,160	305,653	304,151	307,905	329,735	322,228	328,234	328,324	347,217	332,953
recruitment/training, development		2,956	2,956	2,956	2,956	3,056	2,956	2,956	2,956	3,056	2,956
marketing, inc launch		31,250	31,250	31,250	31,250	32,813	32,813	32,813	32,813	34,453	34,453
Studio		↑	↑	↑	↑	↑	↑	↑	↑	↑	↑
<i>Supplies</i>											
bar/catering/ices/confectionery		73,455	57,826	120,341	62,515	69,100	54,397	127,908	66,159	89,015	58,814
programmes/merchandise		34,053	26,808	55,789	28,951	31,874	25,071	58,950	30,491	40,771	26,938
<i>Ongoing costs</i>											
utilities		30,000	30,000	30,000	30,000	31,500	31,500	31,500	31,500	33,075	33,075
business rates		10,125	10,125	10,125	10,125	10,328	10,328	10,328	10,328	10,534	10,534
banking/audit/accountancy/legal		3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375
insurance/licensing/etc		8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,750
office/IT/equipment		2,500	0	0	0	250	0	0	0	250	0
<i>Servicing loans</i>											
PWLB restoration (30-year)		0	0	0	0	0	0	0	0	0	0
PWLB restoration (25-year)		0	0	0	0	0	0	0	0	0	0
working capital		0	0	0	7,500	0	0	0	157,50	—	—
total expenditure ex loan repayment		2,596,624	1,953,195	1,828,994	1,946,919	2,607,752	2,167,648	2,216,647	2,095,885	3,025,363	1,841,187
with 30-year loan repayment deferred		2,596,624	1,953,195	1,828,994	1,946,919	2,607,752	2,167,648	2,216,647	2,095,885	3,025,363	1,841,187
with 25-year loan repayment deferred		2,596,624	1,953,195	1,828,994	1,946,919	2,607,752	2,167,648	2,216,647	2,095,885	3,025,363	1,841,187
Contingency (25%~10%)		519,325	371,107	329,219	330,976	417,240	325,147	310,331	272,465	363,044	202,531
quarterly cash surplus (deficit)		(956,864)	(10,908)	446,480	341,398	(827,782)	(10,483)	360,150	412,436	(1,019,538)	573,676
30yr loan repayment deferred until Y6		(956,864)	(10,908)	446,480	341,398	(827,782)	(10,483)	360,150	412,436	(1,019,538)	573,676
25yr loan repayment deferred until Y6		(956,864)	(10,908)	446,480	341,398	(827,782)	(10,483)	360,150	412,436	(1,019,538)	573,676
rolling cash balance											
30yr loan repayment deferred until Y6		376,384	365,476	811,956	1,153,354	325,572	315,090	675,239	1,087,675	68,137	641,81
25yr loan repayment deferred until Y6		376,384	365,476	811,956	1,153,354	325,572	315,090	675,239	1,087,675	68,137	641,81

Construction of revenue cashflow projection

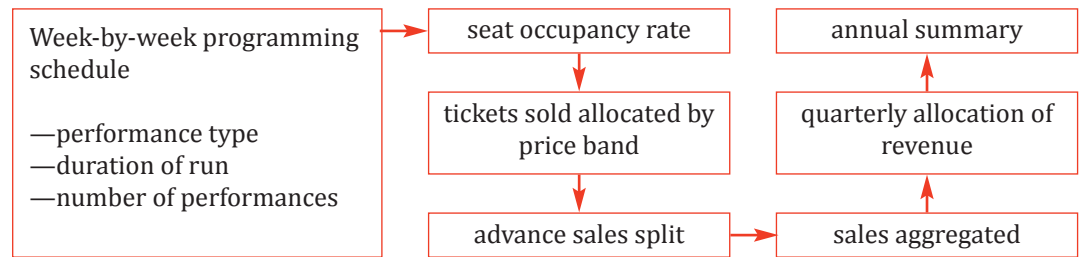


Table 12: Quarterly cashflow projection *continued*

	YEAR 5		YEAR 6				YEAR 7			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	£	£	£	£	£	£	£	£	£	£
WORKING CAPITAL (drawdown)	—	—	—	—	—	—	—	—	—	—
INCOME										
ticket sales (gross)	2,634,418	2,619,744	2,213,722	2,314,816	2,851,843	2,740,502	2,364,025	2,657,395	2,863,075	2,628,459
tours/meanwhile activity	576	576	576	576	576	576	576	576	576	576
bar/catering/ices/confectionery	197,776	153,447	218,729	150,600	207,972	193,629	212,302	208,822	219,263	201,861
daytime café-bar	76,950	76,950	76,950	76,950	76,950	76,950	76,950	76,950	76,950	76,950
programmes/merchandise	62,842	48,757	66,887	46,053	63,597	59,211	63,522	62,481	65,605	60,398
Studio	38,688	26,500	38,688	118,650	38,688	38,688	54,531	128,400	54,531	54,531
conferences/venue hire	24,875	24,875	23,938	23,938	23,938	23,938	21,575	21,575	21,575	21,575
advertising	16,250	16,250	16,375	16,375	16,375	16,375	16,500	16,500	16,500	16,500
<i>Funding</i>										
grants	0	0	0	0	0	0	0	0	0	0
Friends	43,750	43,750	48,125	48,125	48,125	48,125	52,500	52,500	52,500	52,500
corporate/sponsorship	33,750	33,750	33,750	33,750	33,750	33,750	33,750	33,750	33,750	33,750
total income	3,129,874	3,044,598	2,737,738	2,829,832	3,351,813	3,231,744	2,896,231	3,258,948	3,404,324	3,147,101
EXPENDITURE										
Producer payments	2,109,306	1,429,727	2,815,091	1,408,347	2,142,408	1,839,371	2,423,441	2,078,015	2,130,492	1,778,415
Studio	31,425	21,675	31,425	85,800	31,425	31,425	44,100	93,600	44,100	44,100
<i>Management and administration</i>										
salaries, inc on-costs	348,719	338,959	380,159	364,598	377,702	374,426	390,884	390,065	392,522	388,427
recruitment/training, development	2,956	2,956	3,056	2,956	2,956	2,956	3,056	2,956	2,956	2,956
marketing, inc launch	34,453	34,453	36,176	36,176	36,176	36,176	37,985	37,985	37,985	37,985
Studio	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑
<i>Supplies</i>										
bar/catering/ices/confectionery	92,194	71,530	99,001	68,165	94,132	87,540	94,635	93,084	97,738	89,981
programmes/merchandise	42,228	32,763	45,112	31,060	42,893	39,935	40,699	40,031	42,033	38,697
<i>Ongoing costs</i>										
utilities	33,075	33,075	34,729	34,729	34,729	34,729	36,465	36,465	36,465	36,465
business rates	10,534	10,534	10,745	10,745	10,745	10,745	10,960	10,960	10,960	10,960
banking/audit/accountancy/legal	3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375
insurance/licensing/etc	8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,750
office/IT/equipment	0	0	250	0	0	0	250	0	0	0
<i>Servicing loans</i>										
PWLB restoration (30-year)	0	0	113,000	113,000	113,000	113,000	113,000	113,000	113,000	113,000
PWLB restoration (25-year)	0	0	128,000	128,000	128,000	128,000	128,000	128,000	128,000	128,000
working capital	—	—	—	—	—	—	—	—	—	—
total expenditure ex loan repayment	2,717,015	1,987,797	3,467,868	2,052,701	2,785,291	2,469,527	3,094,599	2,795,286	2,807,375	2,440,111
with 30-year loan repayment deferred	2,717,015	1,987,797	3,580,868	2,167,701	2,898,291	2,582,527	3,207,599	2,908,286	2,920,375	2,553,111
with 25-year loan repayment deferred	2,717,015	1,987,797	3,595,868	2,182,701	2,913,291	2,597,527	3,222,599	2,923,286	2,935,375	2,568,111
Contingency (25% >10%)	271,701	198,780	346,787	205,470	278,529	246,953	309,460	279,529	280,738	244,011
quarterly cash surplus (deficit)	141,158	858,022	(1,076,917)	569,662	287,993	515,263	(507,827)	184,134	316,211	462,979
30yr loan repayment deferred until Y6	141,158	858,022	(1,189,917)	456,662	174,993	402,263	(620,827)	71,134	2,03,211	349,979
25yr loan repayment deferred until Y6	141,158	858,022	(1,204,917)	441,662	159,993	387,263	(635,827)	56,134	188,211	334,979
rolling cash balance										
30yr loan repayment deferred until Y6	782,971	1,640,993	451,076	907,738	1,082,730	1,484,994	864,166	935,300	1,138,512	1,488,490
25yr loan repayment deferred until Y6	782,971	1,640,993	436,076	877,738	1,037,730	1,424,994	789,166	845,300	1,033,512	1,368,490

APPENDIX B

Ticket pricing

Prices of theatre tickets vary by a substantial amount. Whilst tickets for events at small venues—such as those staged during the Brighton Fringe—can be as low as £8.00, mainstream provincial theatre prices typically range from £10.00 to £65.00. (In the West End prices can now be as much as £125 for premium seats.)

For illustrative purposes, this table shows minimum and maximum ticket prices for all the shows in the 2014/15 season at the Mayflower Theatre, Southampton, geographically the nearest comparable theatre to the Brighton Hippodrome.

Table 13: Seat prices for selected shows, Mayflower, Southampton

<i>ranked by median</i>	<i>min</i>	<i>max</i>	<i>median</i>	<i>run</i>
	£	£	£	weeks
The Lion King	25.00	65.00	45.00	8
Wicked	22.50	65.00	43.75	4
Jersey Boys	24.50	51.00	37.75	2
Barnum	25.00	49.50	37.25	2
The Bodyguard	25.00	49.50	37.25	2
Shrek the Musical	21.00	52.50	36.75	3
Dirty Dancing	19.50	48.50	34.00	2
Riverdance 20th anniversary	22.50	43.50	33.00	1
Saturday Night Fever	25.00	39.50	32.25	1
Welsh National Opera	8.00	54.00	31.00	2
Singin' in the Rain	15.00	45.00	30.00	3
English National Ballet	10.75	48.50	29.63	1
Edward Scissorhands (Matthew Bourne)	19.00	38.00	28.50	1
Oklahoma!	17.50	39.50	28.50	1
Russian State Ballet & Orchestra	19.00	37.00	28.00	1
Wuthering Heights (Northern Ballet)	15.00	38.00	26.50	1
Top Hat	10.00	43.00	26.50	2
Cinderella (panto)	15.00	37.50	26.25	3
Curious Incident of the Dog in the Night-Time	16.50	35.00	25.75	2
Dance 'Til Dawn	19.00	32.50	25.75	1
The Importance of Being Earnest	16.50	35.00	25.75	1
Rock of Ages	17.00	34.00	25.50	1
Cirque Eloize—Cirkopolis	19.00	26.00	22.50	1
Jeeves & Wooster in Perfect Nonsense	14.50	29.50	22.00	1
To Kill a Mockingbird	14.50	29.50	22.00	1

Source: www.mayflower.org.uk

The minimum seat price is usually for midweek matinees. The median price is the difference between the highest and lowest prices but this is lower than the average as the majority of seats are priced above this.

The shows tabulated above account for the 48 weeks in the 14 months from June 2014 to August 2015 for which tickets were already offered at the time of compilation. The Mayflower also programmes occasional shows by local companies (such the Mayflower Summer Youth Project) and one-off stand-up comedy and music events, usually on Sunday nights, of which these are a sample:

Table 14: Sunday night shows, Mayflower, Southampton 2014

	£
Jules Holland and His Rhythm & Blues Orchestra	39.00
Jimmy Carr	27.00
An Evening with Noel Fielding	27.00
Alan Davies—Little Victories	22.00-27.00
An Evening with Boycott & Aggers	23.00-25.00

APPENDIX C

Typical annual programme

A five-year schedule of programmes has been prepared as a basis for calculation of revenue. The first year and a summary of developments over the subsequent four years are presented here. These are of necessity speculative and are consequently conservative throughout, especially in the early stages, to avoid being challenged as over-optimistic.

This will very much depend on the operating model. An established theatre operator would be able to establish a higher starting level than that assumed here and a faster subsequent growth rate.

An alternative approach to scheduling, based on the type of shows that relate to certain times of year, is shown on pages 50-51.

assumptions

seating capacity: 1,500

typical banding: A = 40% of seats, B = 35%, C = 25%

Table 15: Typical annual programme

show	run days	eg	ticket prices			perfs n	seat occpy %
			Band A £	Band B £	Band C £		
			40%	35%	25%		
Year 3							
musical 1	6	<i>Fame</i>	35.00	30.00	25.00	7	65
musical 2	5	<i>American Idiot</i>	43.75	40.00	30.00	7	65
musical 3	6	<i>Son of a Preacher Man</i>	37.00	30.00	23.00	7	65
musical 4	6	<i>Flashdance the Musical</i>	34.00	28.00	21.00	8	65
musical 5	5	<i>Annie</i>	42.50	34.00	26.00	6	70
musical 6	5	<i>Dirty Dancing</i>	37.00	30.00	23.00	6	70
musical 7	5	<i>Top Hat</i>	34.00	28.00	21.00	6	65
premium drama	5	<i>War Horse</i>	60.00	42.50	25.00	8	70
drama 1	6	<i>Comedy about Bank Robbery</i>	29.50	22.00	14.50	8	65
drama 2	6	<i>Jeeves and Wooster</i>	29.50	22.00	14.50	8	65
drama 3	5	<i>Rotterdam</i>	29.50	22.00	14.50	6	60
drama 4	5	<i>Betrayal</i>	29.50	22.00	14.50	6	60
Brighton Festival	21	various	54.00	31.00	8.00	21	50
panto	30	<i>Cinderella</i>	35.00	28.50	22.00	45	85
ballet 1	5	English National Ballet	48.50	29.63	10.75	5	60
ballet 2	4	Ballet Rambert	36.00	26.00	14.00	5	60
dance 1	5	Carlos Acosta	38.00	28.50	19.00	5	85
film	3	classic	10.00	8.50	7.00	6	50
event cinema	7	NT Live, etc	25.00	20.00	20.00	7	50
esport	6	day ticket	75.00	75.00	75.00	7	50
children's 1	3	<i>Peppa Pig</i>	19.00	16.50	12.50	4	50
children's 2	5	<i>Awful Auntie</i>	24.00	22.00	20.00	9	70
children's 3	2	<i>Teletubbies Live</i>	15.00	15.00	15.00	4	65
						days: 161	perfs: 207
Year 4							
<i>add</i>							
dance 2	5	Carlos Acosta	38.00	28.50	19.00	6	65
opera	2	English Touring Opera	30.00	27.00	24.00	2	50
						days: 168	perfs: 215

Table 15: Typical annual programme *continued*

show	run days	eg	ticket prices			perfs n	seat occupy %
			Band A £	Band B £	Band C £		
			40%	35%	25%		

Year 5

remove musical 7 and add

premium drama	12	[more days]	60.00	42.50	25.00	14	70
drama	6	Royal Shakespeare Company	32.50	22.25	10.00	6	80
musical 3	12	[more days]	34.00	28.00	21.00	14	65
summer season 1	21	in-house	29.50	22.00	14.50	18	65
summer season 2	14	in-house	29.50	22.00	14.50	18	65
youth theatre	4	in-house	10.00	10.00	10.00	6	60

days: 220

perfs: 277

Year 6

remove musical 6 and add

premium drama	18	[more days]	60.00	42.50	25.00	24	70
cirque	6	Cirque du Soleil	26.00	22.50	19.00	8	70
drama 5	12	Harry Potter and Cursed Child	29.50	22.00	14.50	14	65
opera 2	2	Opera & Ballet International	38.00	28.50	19.00	2	50

days: 251

perfs: 321

Year 7

cirque	10	[more days]	26.00	22.50	19.00	12	65
premium musical	12	Hamilton	60.00	42.50	25.00	14	70

days: 275

perfs: 350

EVENTS

all years

theatre tours: one morning every other month, 20 people @ £8.00 = 6 events	£
archivist talks included in Studio	960

VENUE HIRING TARIFF

		hire days	fit-up days
standard hire	per day: £1,500	Year 3-4	5
hire fit-up days	per day: £750	Year 5-7	2
staff as required	say £15/hr for 6 hrs per day		

Other events and venue hires will be subject to availability, partly used in early years to fill non-performance days. These are not included in the revenue and cashflow projections.

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Possible annual schedule

This table sets out an indicative annual programme over the five years based on the time of year. It is this version that underlies the quarterly cashflow projection in Appendix A.

Table 16: Possible annual schedule

	<i>week</i>	<i>YEAR 1</i>	<i>YEAR 2</i>	<i>YEAR 3</i>	<i>YEAR 4</i>	<i>YEAR 5</i>
Jan	1	panto	panto	panto	panto	panto
	2	panto	panto	panto	panto	panto
	3	panto	panto	panto	panto	panto
	4	panto	panto	panto	panto	panto
Feb	5	musical 1	musical 1	musical 1	musical 1	musical 1
	6	drama 1	drama 1	drama 1	drama 1	drama 1
	7	event cinema	event cinema	premium drama 1	premium drama 1	premium drama 1
	8	premium drama 1	premium drama 1	premium drama 1	premium drama 1	premium drama 1
Mar	9				premium drama 1	premium drama 1
	10	dance 1	dance 1	dance 1	dance 1	dance 1
	11	event cinema	event cinema	event cinema	event cinema	event cinema
	12			drama (RSC)	drama (RSC)	drama (RSC)
	13	children 1	children 1	children 1	children 1	children 1
<i>Q1</i>		<i>8 weeks</i>	<i>8 weeks</i>	<i>12 weeks</i>	<i>12 weeks</i>	<i>12 weeks</i>
Apr	14	musical 2	musical 2	musical 2	musical 2	musical 2
	15	ballet 1	ballet 1	ballet 1	ballet 1	ballet 1
	16	event cinema	event cinema	event cinema	event cinema	children 2
	17	esport	esport	esport	esport	esport
May	18	film event	film event	film event	film event	film event
	19	Brighton Festival	Brighton Festival	Brighton Festival	Brighton Festival	Brighton Festival
	20	Brighton Festival	Brighton Festival	Brighton Festival	Brighton Festival	Brighton Festival
	21	Brighton Festival	Brighton Festival	Brighton Festival	Brighton Festival	Brighton Festival
	22	event cinema	event cinema	event cinema	event cinema	premium musical
Jun	23					premium musical
	24	musical 3	musical 3	youth theatre	youth theatre	youth theatre
	25				cirque	cirque
	26					cirque
<i>Q2</i>		<i>6 weeks</i>	<i>6 weeks</i>	<i>8 weeks</i>	<i>9 weeks</i>	<i>12 weeks</i>

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Table 16: Possible annual schedule *continued*

	<i>week</i>	<i>YEAR 1</i>	<i>YEAR 2</i>	<i>YEAR 3</i>	<i>YEAR 4</i>	<i>YEAR 5</i>
Jul	27	children 2	children 2	summer season 1	summer season 1	summer season 1
	28			summer season 1	summer season 1	summer season 1
	29	musical 4	musical 4	summer season 1	summer season 1	summer season 1
	30	event cinema	event cinema	musical 3	summer season 1	summer season 1
Aug	31	esport film	esport film	esport film	esport film	esport film
	32	children 3	children 3	children 2	children 2	summer season 2
	33		summer season 2	summer season 2	summer season 2	summer season 2
	34		summer season 2	summer season 2	summer season 2	summer season 2
	35	event cinema	event cinema	children 3	children 3	summer season 2
	36	drama 2	drama 2	drama 2	drama 2	drama 2
Sep	37	musical 5	musical 5	musical 4	musical 3	musical 3
	38					children 3
	39	dance 2	dance 2	dance 2	dance 2	dance 2
	Q3	<i>5 weeks</i>	<i>6 weeks</i>	<i>8 weeks</i>	<i>9 weeks</i>	<i>11 weeks</i>
Oct	40	musical 6	musical 6	musical 5	musical 4	musical 4
	41		opera 1	opera 1	opera 1	opera 1
	42	event cinema	event cinema	event cinema	event cinema	drama 3
	43	ballet 2	ballet 2	ballet 2	ballet 2	ballet 2
	44	drama 3	drama 3	drama 3	drama 3	drama 4
	45	musical 7	musical 7	musical 6	musical 5	musical 5
Nov	46	film (Festival)	film (Festival)	film (Festival)	film (Festival)	film (Festival)
	47	drama 4	drama 4	drama 4	drama 4	drama 5
	48	esport	esport	esport	esport	drama 5
	49				drama 5	esport
Dec	50	event cinema	event cinema	event cinema	opera 2	opera 2
	51	<i>panto rehearsal</i>	<i>panto rehearsal</i>	<i>panto rehearsal</i>	<i>panto rehearsal</i>	<i>panto rehearsal</i>
	52	panto	panto	panto	panto	panto
	Q4	<i>8+1 weeks*</i>	<i>9+1 weeks*</i>	<i>9+1 weeks*</i>	<i>11+1 weeks*</i>	<i>12+1 weeks*</i>
year	32 weeks	35 weeks	39 weeks	43 weeks	48 weeks	

* additional non-paying week for panto rehearsals

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APPENDIX D

Comparison of stage sizes

Given that a key aspect of the Hippodrome's programme in lyric theatre mode would be major West End shows, we compare the Hippodrome with West End theatres that originate these shows or into which they are transferred for their continuing run (see table).

In terms of seating capacity the Hippodrome is in the middle of the range but just above the average for the West End. It is similarly in the mid-range by width of proscenium but only two West End theatres have a greater stage depth. This emphatically demonstrates that the Hippodrome is more than capable of staging the largest West End shows.

Table 17: Originating/transfer West End theatres of large-scale productions

ranked by seating capacity	<i>seats</i>	<i>prosc</i>	<i>stage</i>	<i>height</i>
	<i>n</i>	<i>width</i>	<i>depth</i>	<i>to grid</i>
	<i>n</i>	<i>m</i>	<i>m</i>	<i>m</i>
Dominion Theatre (Evita)	2,007	12.0	15.3	19.8
Lyceum (The Lion King)	2,100	13.0	16.0	22.0
Prince Edward Theatre (Evita, Jersey Boys)	1,622	13.4	9.8	19.8
Victoria Palace Theatre (Billy Elliot, Hamilton)	1,550	9.5	9.3	16.8
BRIGHTON HIPPODROME	1,525	12.0	14.4	15.2
Apollo Victoria (Starlight Express, Wicked)	1,524	14.0	7.4	23.6
Adelphi (Chicago, The Bodyguard)	1,486	10.5	12.3	18.0
Palace Theatre (Les Misérables)	1,404	9.5	10.3	21.2
Cambridge Theatre (Matilda the Musical)	1,283	9.0	9.2	16.2
Piccadilly Theatre (Grease, Jersey Boys)	1,232	11.6	9.7	16.5
Her Majesty's Theatre (The Phantom of the Opera)	1,210	14.5	10.5	17.4
New London Theatre (Cats, War Horse)	1,102	16.0	13.0	
Novello Theatre (Mamma Mia!)	927	10.2	9.6	17.4
<i>West End average</i>	<i>1,515</i>			

ranked by proscenium width	<i>seats</i>	<i>prosc</i>	<i>stage</i>	<i>height</i>
	<i>n</i>	<i>width</i>	<i>depth</i>	<i>to grid</i>
	<i>n</i>	<i>m</i>	<i>m</i>	<i>m</i>
New London Theatre (Cats, War Horse)	1,108	16.0	13.0	
Her Majesty's Theatre (The Phantom of the Opera)	1,161	14.5	10.5	17.4
Apollo Victoria (Starlight Express, Wicked)	2,208	14.0	7.4	23.6
Prince Edward Theatre (Jersey Boys, Miss Saigon)	1,622	13.4	9.8	19.8
Lyceum (The Lion King)	2,100	13.0	16.0	22.0
BRIGHTON HIPPODROME	1,525	12.0	14.4	15.2
Dominion Theatre (Evita)	2,001	12.0	15.3	19.8
Victoria Palace Theatre (Billy Elliot, Hamilton)	1,517	11.9	9.8	16.8
Piccadilly Theatre (Grease, Jersey Boys)	1,200	11.6	9.7	16.5
Adelphi (Chicago, The Bodyguard)	1,436	10.5	12.3	18.0
Novello Theatre (Mamma Mia!)	1,143	10.2	9.6	17.4
Palace Theatre (Les Misérables)	1,400	9.5	10.3	21.2
Cambridge Theatre (Matilda the Musical)	1,283	9.0	9.2	16.2
<i>West End average</i>		<i>11.9</i>		

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Table 17: Originating/transfer West End theatres of large-scale productions

ranked by stage depth

	seats <i>n</i>	prosc width <i>m</i>	stage depth <i>m</i>	height to grid <i>m</i>
Lyceum (The Lion King)	2,100	13.0	16.0	22.0
Dominion Theatre (Evita)	2,001	12.0	15.3	19.8
BRIGHTON HIPPODROME	1,525	12.0	14.4	15.2
New London Theatre (Cats, War Horse)	1,108	16.0	13.0	
Adelphi (Chicago, The Bodyguard)	1,436	10.5	12.3	18.0
Her Majesty's Theatre (The Phantom of the Opera)	1,161	14.5	10.5	17.4
Palace Theatre (Les Misérables)	1,400	9.5	10.3	21.2
Prince Edward Theatre (Evita, Miss Saigon)	1,622	13.4	9.8	19.8
Victoria Palace Theatre (Billy Elliot, Hamilton)	1,550	11.9	9.8	16.8
Piccadilly Theatre (Grease, Jersey Boys)	1,200	11.6	9.7	16.5
Novello Theatre (Mamma Mia!)	1,143	10.2	9.6	17.4
Cambridge Theatre (Matilda the Musical)	1,283	9.0	9.2	16.2
Apollo Victoria (Starlight Express, Wicked)	2,208	14.0	9.8	23.6
<i>West End average</i>			<i>11.0</i>	

ranked by height to grid*

	seats <i>n</i>	prosc width <i>m</i>	stage depth <i>m</i>	height to grid <i>m</i>
Apollo Victoria (Starlight Express, Wicked)	2,208	14.0	7.4	23.6
Lyceum (The Lion King)	2,100	13.0	16.0	22.0
Palace Theatre (Les Misérables)	1,400	9.5	10.3	21.2
Dominion Theatre (Evita)	2,001	12.0	15.3	19.8
Prince Edward Theatre (Evita, Jersey Boys, Miss Saigon)	1,622	13.4	9.8	19.8
Adelphi (Chicago, The Bodyguard)	1,436	10.5	12.3	18.0
Her Majesty's Theatre (The Phantom of the Opera)	1,161	14.5	10.5	17.4
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Piccadilly Theatre (Grease, Jersey Boys)	1,200	11.6	9.7	16.5
Victoria Palace Theatre (Billy Elliot, Hamilton)	1,550	11.9	9.8	16.8
Cambridge Theatre (Matilda the Musical)	1,283	9.0	9.2	16.2
BRIGHTON HIPPODROME	1,525	12.0	14.4	15.2
New London Theatre (Cats, War Horse)	1,108	16.0	13.0	
<i>West End average</i>			<i>11.0</i>	

*The grid is the deck over the stage in the fly-tower used to hang and move ('fly') sets, lighting, audio, drapes and sometimes performers. It should ideally be at least one and a half times the height of the proscenium above the top of the arch. Table 18

Figure 6: Theatres in Sussex

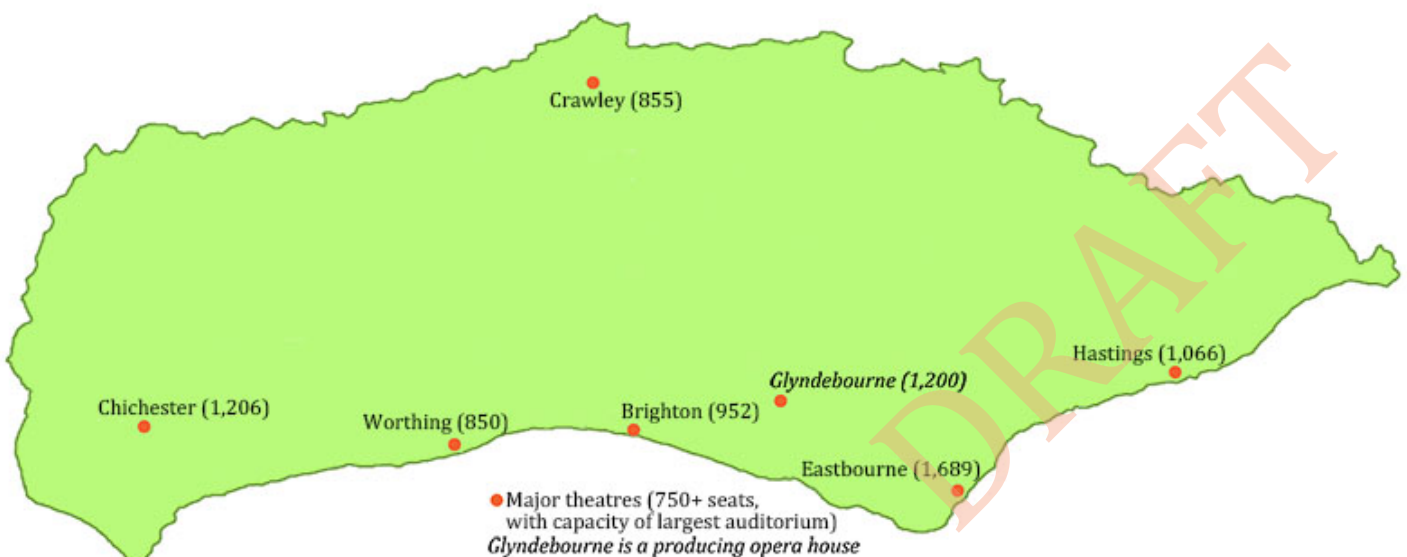


Table 18: Regional theatres

Ownership

Birmingham Hippodrome	Birmingham City Council
Birmingham Repertory Theatre	Birmingham City Council
Blackpool Grand	Blackpool Grand Theatre Trust
Bournemouth Pavilion	Bournemouth Borough Council
Bristol Hippodrome	Ambassador Theatre Group
Canterbury Marlowe	Canterbury City Council
Eastbourne Congress	Eastbourne Borough Council
Eastbourne Devonshire Park	Eastbourne Borough Council
Eastbourne Pier Theatre	Lions Pier Ltd ('Sheikh' Abid Gulzar)
Eastbourne Royal Hippodrome	Eastbourne Borough Council
Eastbourne Winter Garden	Eastbourne Borough Council
Salford Lowry	The Lowry Centre Trust
Manchester Palace	Apollo Leisure, lessees
Newcastle Theatre Royal	Theatre Royal Trust, lessees
Norwich Theatre Royal	Norwich City Council
Nottingham Playhouse	Nottingham City Council (lease: Nottingham Theatre Trust)
Nottingham Theatre Royal	Nottingham City Council
Plymouth Theatre Royal	Plymouth Pavilions & Plymouth Theatre Royal
Portsmouth New Theatre Royal	New Theatre Royal Trust
Southampton Mayflower	Southampton City Council (lease: Mayflower Theatre Trust)
Southsea Kings Theatre	Portsmouth City Council, leased to Kings Theatre Trust
Sunderland	Ambassador Theatre Group
Wolverhampton Grand Theatre	Wolverhampton Metropolitan Borough Council
York Grand Opera House	Ambassador Theatre Group
York Theatre Royal	York Conservation Trust

*designed by Frank Matcham

**designed by Bertie Crewe

		<i>grade</i>	<i>constructed/ renovation</i>	<i>seats n</i>	<i>prosc width m</i>	<i>stage depth m</i>	<i>height to grid m</i>
Birmingham	Hippodrome**	—	1899	1,887	12.79	20.90	22.15
	Repertory Theatre	—	1971	824	15.00	15.00	23.00
Blackpool	Grand Theatre*	II*	1894, 2001	1,215	9.14	9.14	15.24
Bournemouth	Pavilion Theatre	II	1929, 1934	1,448	13.64	12.19	14.63
Brighton	HIPPODROME* **	II*	1897, 1901-02	1,525	12.00	14.40	15.23
	Theatre Royal	II	1807,1866	966	10.76	9.54	18.23
Bristol	Hippodrome*	II	1912	1,951	14.36	18.28	20.12
Canterbury	Marlowe	—	2011	1,200	—	—	—
Eastbourne	Congress	—	1963	1,689	13.10	15.80	16.00
	Devonshire Park	II	1884, 1903	936	8.01	7.32	9.75
	Pier Theatre	II	1865	1,000?	7.92	8.23	6.40
	Royal Hippodrome	II	1883	643	7.62	7.11	13.10
	Winter Garden	II	1875, 1994	1,100	10.00	6.00	—
Manchester/Salford	Lowry	—	2000	1,738	14.00	17.50	22.55
	Palace	II	1891	2,000	13.00	19.00	22.00
Newcastle-upon-Tyne	Theatre Royal*	I	1837, 1901	1,294	9.23	17.85	17.54
Norwich	Theatre Royal	—	1758, 1935	1,312	9.68	11.14	18.67
Nottingham	Playhouse	II*	1963	756	9.75	50.00	18.58
	Theatre Royal*	II	1865, 1898	1,186	9.85	15.38	18.90
Plymouth	Theatre Royal	—	1982	1,296	8.00	15.40	25.00
Portsmouth/Southsea	New Theatre Royal*	II*	1854, 1900	716	9.54	20.00	none
	Kings Theatre*	II*	1907	1,600	8.62	0.15	15.38
Southampton	Mayflower	II	1928,1987,2003	2,299	13.41	11.88	18.60
Sunderland	Empire	II*	1907	2,000	10.50	12.80	18.34
Wolverhampton	Grand Theatre	II*	1894, 1998	1,200	10.42	11.90	19.00
York	Grand Opera House	II	1868, 1902	1,032	9.00	10.30	12.80
	Theatre Royal	II*	1744, 1902	847	9.14	8.60	13.10

Source: Theatres Trust

It is noteworthy that local authorities own 14 of the 23 theatres here, six are owned by trusts (and two more are leased by local authorities to trusts) and only three are owned by commercial enterprises. Nonetheless, all operate commercially.

APPENDIX E

Live performance venues in Brighton and Hove

Table 19: Live performance venues in Brighton and Hove

	<i>ownership</i>	<i>capacity</i>	<i>uses</i>
LARGER VENUES (>500 seats)			
Brighton Centre	BHCC	4,450	conferences, events, concerts
Dome	BHCC	1,700*	concerts, events
[HIPPODROME]		[1,525]	
Theatre Royal	ATG	966**	drama, musicals, comedy
Corn Exchange	BHCC	550-800	events, concerts, exhibitions
MEDIUM-SIZED VENUES (200-500 seats)			
The Old Market	Yes/No Productions	500	events, music, live perfs
Brighton Open Air Theatre (BOAT)	charity	425	live performance
Attenborough Centre for Performing Arts (ACCA)	University of Sussex	300-350	various, academic
Windmill Theatre	Blatchington Mill School	300	various, academic
Spiegeltent	private	300	various, Festival only
Sallis Benney Theatre	University of Brighton	272 [400]	various
Ralli Hall	B&H Jewish Community	272	various
Komedia Cabaret	Komedia	250-296 [400]	comedy, music
Studio Theatre	BHCC	232	live performance
St Andrew's (venue)	Churches Conservation Trust	200	live performance/fringe
SMALL VENUES (fewer than 200 seats)			
The Old Courtroom	BHCC	152	various
The Basement	Otherplace Prodn	150 [200]	live performance/fringe
Fabrica	charitable trust	110 [130]	exhibitions, various
Unitarian Church	Unitarian Church	100	exhibitions, various
Brighthelm auditorium	charity	90-230	cabaret, lecture
Exeter Street Hall	community benefit society	80 [120]	events
Komedia Studio	Komedia	80	comedy
New Venture Theatre	not-for-profit	80	amateur
Brighton Little Theatre	not-for-profit	71	amateur
The Rialto	private	70-90	live performance/fringe
The Nightingale Room	pub	60-83	comedy, cabaret, music
Marlborough Pub & Theatre	pub	60 [80]	live performance/fringe
Purple Playhouse	Grace Eyre (charity)	60 [80]	live performance/fringe
Lantern Theatre (ACT)	academy	50 [70]	live performance/fringe
Broadway Lounge (formerly Upstairs at Three and Ten)	pub	50	live performance/fringe
Sweet Werks 1	Sweet Venues	50	live performance/fringe
Sweet Dukebox	pub	40	live performance/fringe
Sweet Werks 2	Sweet Venues	35	live performance/fringe
The Warren	pop-up		live performance/Fringe
CLOSED			
Emporium/ 88 London Road	private	90-110	live performance, music, workshops

* The Dome can accommodate 1,860 part-standing.

** Of the total Theatre Royal seats, 207 have restricted sightlines.

Figures in [brackets] show standing capacity.

Several churches can be hired for performances: St Andrews and the Unitarian Church are listed at right. Others: St Bartholomew's St George's Kemptown St Laurence by the Pond, Falmer St Michael & All Angels

A number of pubs offer live and DJ music but several of these have closed in recent times: The Black Dove Brighton Music Hall The Brunswick Casablanca Jazz Club Concorde 2 Green Door Store The Hope and Run Latest Music Bar Patterns Proud Cabaret Brighton The Richmond The Rose Hill Sticky Mike's Frog Bar



APPENDIX F

Membership and sponsorship schemes

In common with other theatres we will establish schemes to raise funding in return for benefits for theatregoers. The Theatre Royal Plymouth (TRP) offers one of the most comprehensive schemes, which aims for corporate support as well as personal, and the Theatre Royal Norwich (TRN) for members. Both provide useful models for the Hippodrome.

The national average number of 'friends of the theatre' for all such schemes is 2,655. On the basis of proven community support, we would expect the Hippodrome to attract significantly more.

Membership packages

TRN has six levels of membership, all of which offer priority booking on most shows, half-price tickets on the first night of drama productions, £2 discount on tickets (between two and eight, depending on level), 10 per cent discount on food and drink and a Friends card with key ring and car sticker.

- **Student**—in full-time education; two ticket discounts, worth £4 (£15 a year)
 - **Senior**—over 60s; four ticket discounts, worth £8 (£18.50 a year)
 - **Personal**—six ticket discounts, worth £12 (£35.50 a year)
 - **Family**—for two or more; eight ticket discounts, worth £16 (£46 a year)
 - **Gold**—eight ticket discounts, worth £16 (£150 a year)
 - **Group**—for 20 or more, which offers a 10 per cent discount on group bookings instead of the first-night half-price tickets (£190)
- The Theatre Royal Norwich has 11,135 Friends.

Three tiers are available at TRP; all receive the seasons' brochures and email show announcements:

- **Priority booking** (£15 a year)
- **Friends membership** (£44 a year)
—also provides discount ticket offers, restaurant/café and backstage tour discount vouchers, free ticket exchange and friends events
- **Ambassador** (£21 a month)
—all the above plus premium seats, highest booking priority and premium booking phone line, members' bar and ambassador events.

Corporate membership packages

In TRP's scheme all four tiers include priority booking, ticket concessions for staff, access to the members' bar in the Tamar Lounge, use of a room for meetings and functions, company name in the foyer and programmes and additional complimentary tickers for co-productions in the smaller theatre; staged payment is available.

- **Bronze** (£1,000)
—12 complimentary tickets
- **Silver** (£1,650)
—24 complimentary tickets
- **Gold** (£2,300)
—36 complimentary tickets
—plus 2 weeks' adverts in the programmes, free backstage tours, one event at the Production and Learning Centre.
- **Platinum** (£4,600)
—48 complimentary tickets
—plus 4 weeks' adverts in the programmes, free backstage tours, two events at the Production and Learning Centre, complementary programmes and chocolates with tickets from allocation, logo in brochure.

TRP has 84 single and partner ambassadors and the following corporate members:

Platinum: 8
Gold: 19
Silver: 23
Bronze: 15

These schemes produce £155,000 a year.

Friends of the Hippodrome

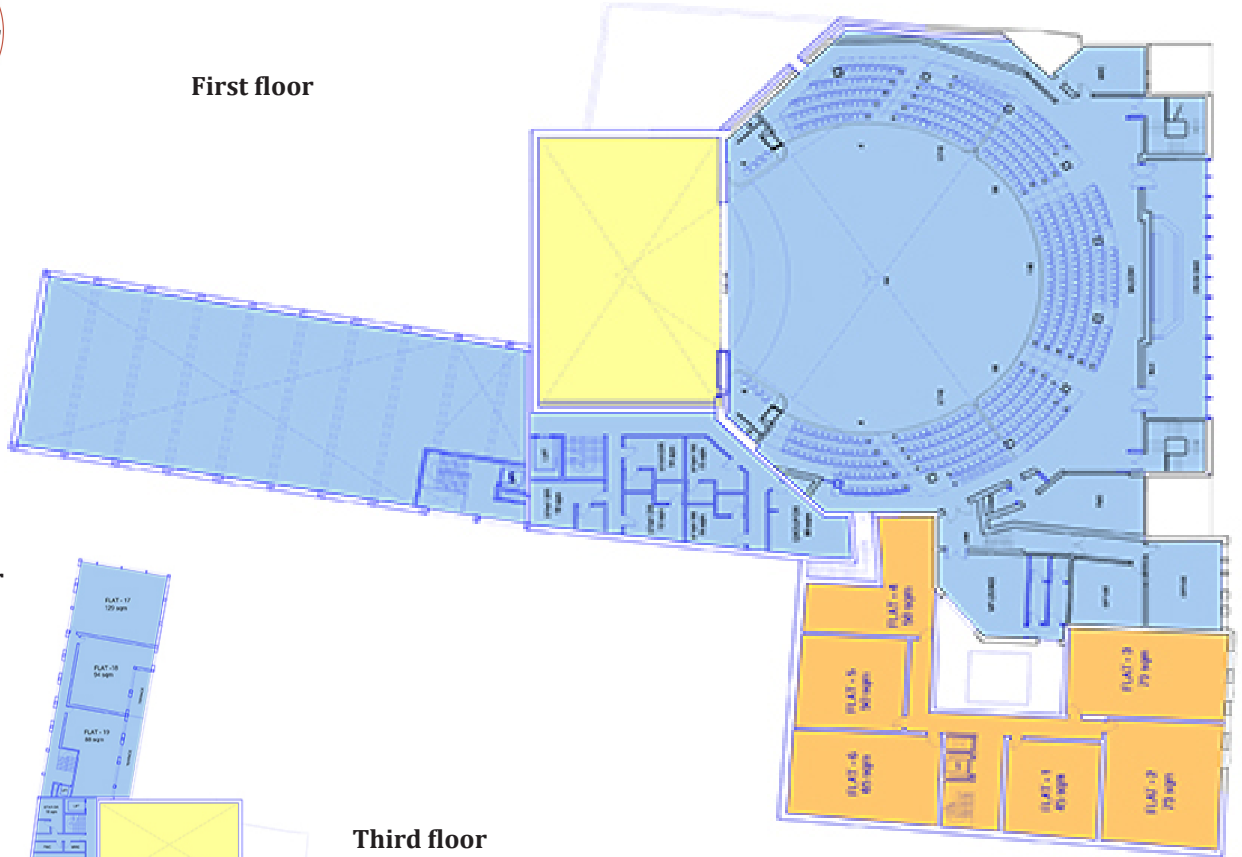
We will establish a similar set of membership and sponsorship packages to raise £100,000-£150,000 a year.

- A scheme to offer a limited number of tickets to young people on the day will be proposed, similar to the Prologue scheme at Chichester.
- Special matinee performances for schools will be offered.

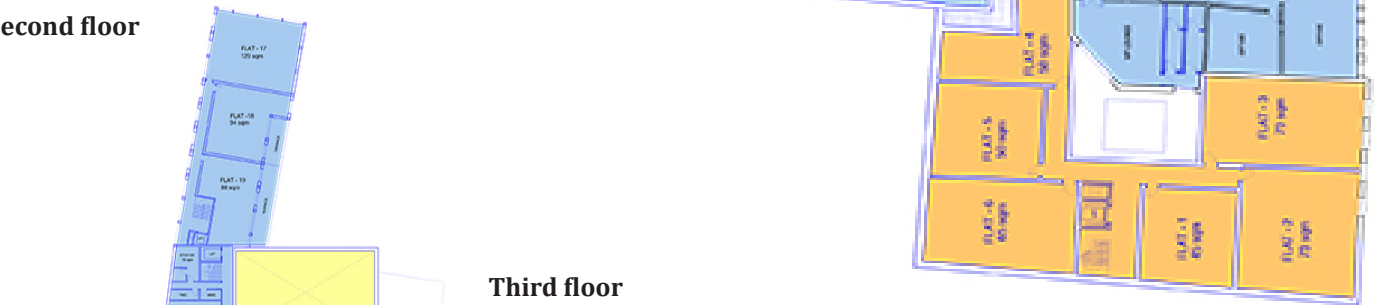
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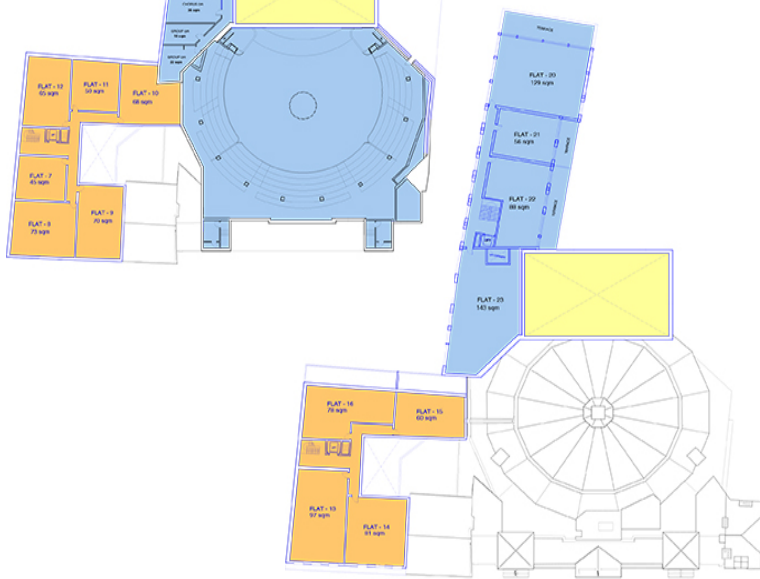
First floor



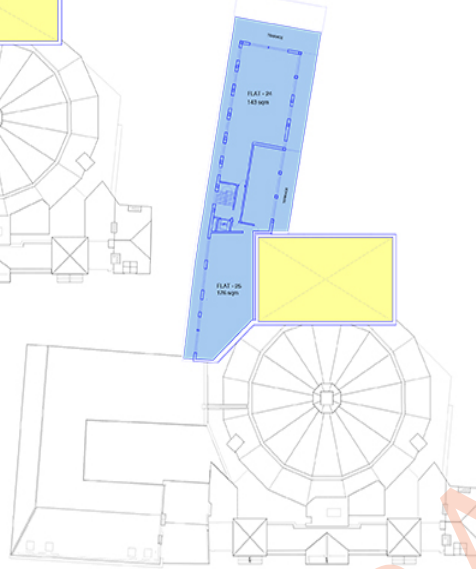
Second floor



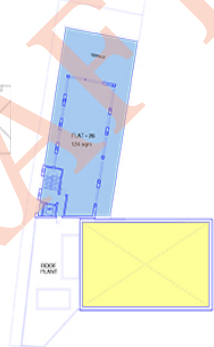
Third floor



Fourth floor

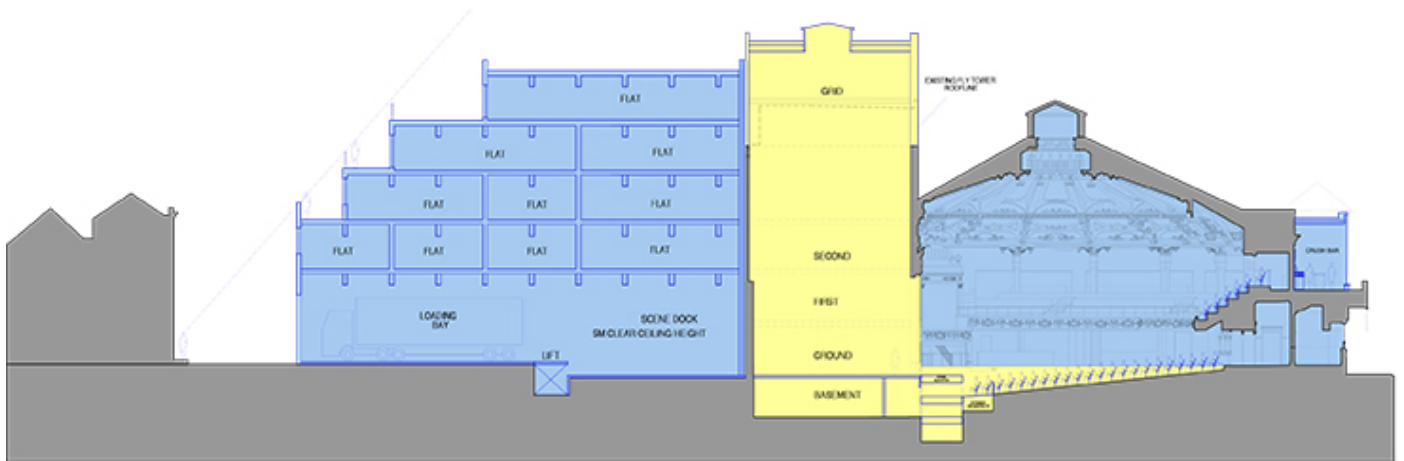


Fifth floor

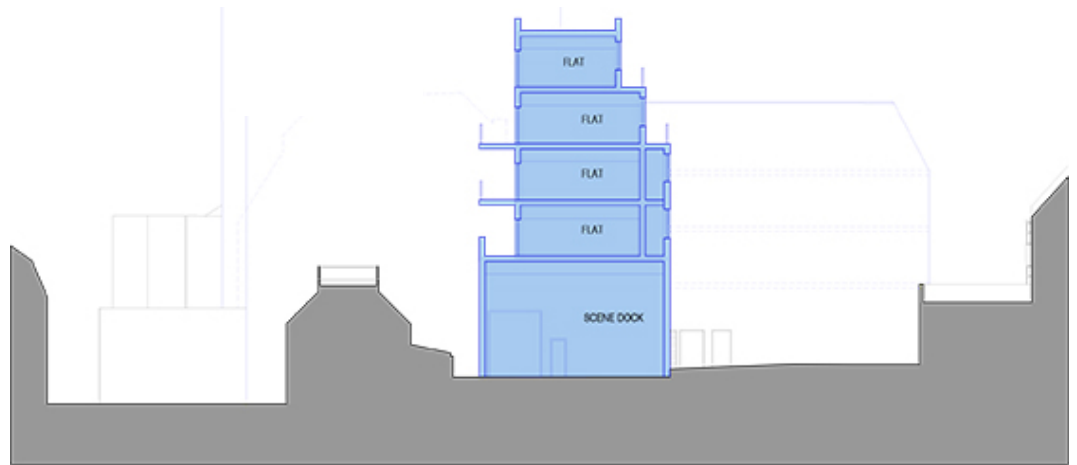


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Section
from north



Section
from east (Ship Street)



Section
from west



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APPENDIX G

Brighton Hippodrome Community Interest Company (CIC)

Mission statement

To restore the Brighton Hippodrome to its former glory and to operate the site as a live performance and events venue and to provide facilities for community activity and involvement.

Objectives

Short-term

- ☒ To secure the future of the Hippodrome and Hippodrome House for live performance and events.
- ☒ To restore the building, especially the Frank Matcham interior of the main auditorium.
- ☒ To act as a major stimulus for the regeneration of Middle Street and the Old Town.

Medium-term

- ☒ To develop and sustain an ongoing and expansive business plan through commercial entrepreneurialism and careful financial management.
- ☒ To serve as the key performance venue in Brighton and Hove, to complement other venues, working with them to develop the city's role as the regional hub for theatre, music and the arts.
- ☒ To develop a second auditorium/performance space to be used for smaller productions, as an art-house cinema, for meetings and talks, and as a rehearsal room.
- ☒ To promote theatre arts through performance, training and education.
- ☒ To establish a strong commercial partnership with an established theatre management company as the basis for taking the operation of the theatre forward.
- ☒ To provide a year-round programme of performances across the range of styles: drama, musical, opera, ballet, circus, pantomime, that will entertain and inspire visitors with a wide range of tastes and preferences. To augment this activity with other events to ensure maximum use of the venue.
- ☒ To enhance the cultural offer of Brighton and Hove.
- ☒ To make a significant contribution to Brighton and Hove's tourist economy.
- ☒ To extend the heritage and traditions of the Hippodrome by laying the foundations for a positive future in the modern age for decades to come.
- ☒ To record and document the Hippodrome's history and place as a heritage asset.

Longer-term

- ☒ To create a flexible, state-of-the-art modern lyric theatre in a historic building that will enjoy a high international reputation as a flagship venue.
- ☒ To become a producing as well as receiving house, originating productions that can subsequently tour the country.
- ☒ To establish the theatre as an educational centre for community programmes and academic research.
- ☒ To take advantage of the Hippodrome's unique size and flexibility to innovate in presentations styles, setting a standard as the beacon of theatre practice for theatres nationally and internationally.

Our values

- ☒ We are passionate about theatre, music and all forms of live performance.
- ☒ We are dedicated to establishing the Hippodrome for the social wellbeing and interest of the local community.
- ☒ We will practice and encourage the pursuit of excellence.
- ☒ We value the principles of diversity and equality, and will incorporate them in our practice.
- ☒ We respect and will work with neighbours in the Old Town area and the wider city community to ensure harmonious and creative relationships.

Brighton Hippodrome CIC was formed to carry forward the management of capital fundraising and project management. The board of directors comprises the following.

Professor Gavin Henderson CBE chairs the CIC. Principal of the Royal Central School of Speech and Drama since 2006, he had extensive experience in theatres, festivals and arts centres around the country before in 1984 succeeding Sir Ian Hunter as Artistic Director of the Brighton Festival, doing much to expand the Festival's profile as a centre for international theatre and dance. In tandem he directed the Dartington International Summer School, where he succeeded Sir Peter Maxwell Davies as Artistic Director, from 1985 until 2010.

David Fisher was editor of the international media business/technology journal *Screen Digest* for 39 years, a government advisor on film and screen media, consultant to two government departments on cinema data, postgraduate-level lecturer in European cultural policy at the University of Warwick, and representative of UK interests in the Council of Europe's European Audiovisual Observatory. Now a local and media historian, author of *Cinema-by-Sea: Film and cinema in Brighton & Hove since 1896*, and the websites brightonfilm.com and brightonhistory.org.uk. He is a trustee of the Regency Society.

Liz Hall has been the Executive Director of Carousel, the award-winning learning disability arts organisation, for 16 years. In her earlier career she was a stage manager, designer and company manager for a number of productions and theatre companies and did development work for the Grace Eyre Foundation. She is a member of the Brighton & Hove Arts & Creative Industries Commission, a trustee of the Speak Out advocacy service and of Komedia Productions.

Steve Pavey was Finance and Business Director at the University of Sussex for 10 years. He is or has been honorary treasurer/trustee of a number of charities, including the West Pier Trust, for which he managed funding of the i360 tourist attraction on the Brighton seafront. He was on the board of the Gardner Arts Centre for many years, was chair of the Actors of Dionysus and is joint-chair of the Clifton Montpelier & Powis Community Alliance. He is keen on bringing the discipline of good corporate governance into the charity world.

Steve Piper was general manager of the Brighton Dome complex for 10 years until he became managing director of the Brighton City Venues, including the Brighton Centre, in 1998. From 2010 he was Director of Venues for BH Live, the trust that operated leisure, arts and cultural venues and services in Bournemouth.

Dr Helen Walker is an independent policy consultant working to support sustainable communities, with a background in local authority planning policy. Currently course leader of the MSc in Town Planning at the University of Brighton, she has held academic appointments at the universities of Westminster, UCL, Leeds and Portsmouth. She is a special consultant to DCLG's Select Committee. She is a member of the National Committee of the Civic Trust Awards and a trustee of the Regency Society, the West Pier Trust and of Fabrica Gallery, Brighton.

Architectural consultant

John Muir is an architect whose practice has a long history of work in the commercial theatre and entertainment sector, including extended periods handling the building works of Andrew Lloyd Webber's Really Useful Group, Stoll Moss Theatres and the Ambassador Theatre Group. The practice also acted for eight years as house architects for the Tussauds Group. He was a trustee of the Theatres Trust from 1995 to 2004.

Theatre consultant

David Blyth was Head of Operations of the local authority-run Fairfield Halls Arts Complex in Croydon from 1987 until joining Ambassador Theatre Group (ATG) in 1992, becoming Head of Operations in 1997. In 2000 he joined the board as Operations Director and in 2011 was appointed Property Director, with responsibility for the portfolio of 39 venues across the UK, America and Australia. He retired from ATG in 2015. He is chairman of the Marina Theatre Trust in Lowestoft and a trustee of the Theatres Trust.

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