

Report to Scrutiny Commission

Scrutiny Commission: Heritage, Culture Leisure and Sport

Date of Commission meeting: 1st December 2020

Haymarket Consultation

Lead executive decision maker:

Assistant Mayor for Heritage, Culture, Leisure and Sport

Report of the Director of Tourism, Culture and Inward
Investment



Useful information

- Ward(s) affected: All
- Report author: Mike Dalzell, Director Tourism, Culture and Investment
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1. Summary

The city council previously co-ordinated and funded a refurbishment of the Haymarket Theatre that had lain empty for more than a decade, in close partnership with the Haymarket Consortium, a local business established for the purpose of running the venue. The refurbishment was carried out across 2016 / 17 and the theatre re-opened in early 2018, managed by the consortium under a lease arrangement with the council.

Unfortunately, like other major event venues, Haymarket was forced to close due to the Coronavirus pandemic in March 2020. The operating company is being liquidated and the lease has been surrendered back to the city council.

Since then there has been considerable interest in what might happen next. A large number of organisations and individuals have expressed interest in the venue. That has included both interest in managing and running the venue and calls for the prioritisation of particular sorts of activity to be programmed from it.

This report sets out the steps which are being taken to develop and consider options for the future of Haymarket. This includes consideration of further capital investment that may be needed to make the complex operate efficiently.

No decisions have yet been taken. This report notes where we are in a process of consultation and feasibility research that has been initiated by the council in partnership with Arts Council England. This report invites comment and opinion from members of the commission as part of that process.

2. Recommendations

The Heritage, Culture, Leisure and Sport Scrutiny Commission are recommended to note and comment on this report.

3. Report/Supporting information including options considered:

3.1 Building Issues

Access Issues : The 2016/17 refurbishment thoroughly overhauled most of the Haymarket complex and in particular focused on the main auditorium space. It was however unable to deal with some longstanding issues of disability access. Part of that problem has been addressed by the new lifts that have now been installed and that will soon be operational. They run from street level up to the upper deck of the car park and stop at all levels of the theatre. This will enable audience members to access all parts of the main theatre. This is a considerable improvement.

However this does not resolve all access issues as the side of the complex nearest the bus station (back of house and including the stage area itself) is half a level different from the side nearest the entrance steps which audience members use. There is no easy way for people with disabilities to move between the two. Part of the current feasibility study is assessing how we may best address that problem.

Operational Efficiency : The Theatre suffers from some design flaws that have undermined it being economically efficient for all of its existence. In particular, for the audience capacity of the venue there are too few toilets and too few bar serving points. This means customers are queueing too long for both and therefore the venue underperforms in terms of income and the visitor experience is not as good as it should be. Options to increase capacity are being tested through the current feasibility process.

Technical Equipment : The most recent refurbishment installed an excellent infrastructure for sound, including extensive in-house cabling that offers considerable flexibility. However, it relied in the main on the pre-existing infrastructure for lighting and a substantive overhaul of the lighting rigs and kit is required if the venue is to offer a full range of programming in the future.

Much of the work described in this section is under way already via the council and will be concluded shortly. That will enable a greater degree of certainty about potential capital costs. It is noted that the current capital programme for 2020/21 earmarked £593k for further works to Haymarket as it was always recognised that some additional investment would be required to address some of the above long standing issues.

3.2 Developing Options

In conjunction with Arts Council England the city council jointly procured and appointed a consultancy called People Make it Work to assist in the creation of options for the future of Haymarket. An extract from the brief used to appoint them is reproduced below as Appendix One and sets out what we would ideally like to achieve from the commission and our vision for how a future Haymarket might best complement and add value to the existing cultural offer of the city, assuming it is felt appropriate, affordable and feasible to re-open the venue.

People Make it Work have now met with key stakeholders; including Curve, De Montfort Hall and Arts Council England; have carried out more than 20 structured interviews with organisations that had expressed an interest in operating Haymarket; initiated an inline consultation exercise which has generated nearly 400 separate responses; started to review audience data from Haymarket and other venues; begun to develop programming options; started to consider potential capital improvements and other issues relevant to commercial efficiency (helping the council review the building issues work described at 3.1 above). This remains work in progress and a final report from the consultants is not expected until the new year. Some interim findings and feedback are summarised in Appendix Two.

3.3 Next Steps

At this point all options are still available. They include remaining closed for a further

defined period before making a decision on further investment. The council could seek to conduct a formal procurement process to identify a future operator and / or seek external financial assistance as a precondition of any further action. The council could initiate further work to develop a programming vision and preferred operating model for the venue before taking any longer term decision or seek to re-open as soon as is feasible under council management. It is expected these options will be explored in more detail as part of the final report.

4. Financial, legal and other implications

4.1 Financial implications

There are no immediate financial implications arising from the current exploration of options for the future operation of the Haymarket Theatre.
Colin Sharpe, Deputy Director of Finance, ext. 37 4081

4.2 Legal implications

None arising directly from this report

4.3 Climate Change and Carbon Reduction implications

None arising directly from this report

4.4 Equalities Implications

None arising directly from this report

5. Background information and other papers:

None

6. Summary of appendices:

One : Extracts from Consultant Brief
Two : Interim Feedback and Issues

7. Is this a private report?

No

Appendix One

FEASIBILITY STUDY BRIEF: HAYMARKET THEATRE REOPENING OPTIONS

INTRODUCTION

This study is being jointly commissioned by Leicester City Council and Arts Council England. Both are primary funders of arts and cultural activity and fully committed to further improving the cultural offer of the city.

While the demise of the current Haymarket theatre operator is obviously a cause for regret, much of what was achieved when the theatre re-opened for two years has demonstrated the potential positive impact of the venue. We now have an opportunity to think carefully how a new business model and programming mix can best add value for the city as a whole. It is hoped that can also practically help to deliver the Arts Council's vision and priorities as set out in their new 10 year strategy 'Let's Create' and help to accelerate a new vision for the city's cultural organisations, building on the recent World Class Arts and Culture Brochure (available via www.visitleicester.info).

Haymarket hosts a 901-seat auditorium alongside a studio space and substantial back of house facilities including rehearsal rooms etc. In terms of scale for bespoke auditoria it ranks only behind De Montfort Hall and Curve theatre in the city. The building itself is held on a long lease by the city council and the council carries financial costs of circa £200k per year to the landlord which is the Haymarket Shopping Centre owner.

Curve theatre opened in 2008 and was conceived as replacement for the Haymarket Theatre. In a little more than decade it has developed a successful business model and enjoys an international reputation, particularly for musical theatre. The Curve building is owned by the council but operated on a long lease by a charity (Leicester Theatre Trust). Curve is financially supported by Arts Council England with £1.9m grant each year and by a further £375k grant each year from the city council. However, the majority of its circa £11m turnover is earned via the sale of 210,000 tickets representing 77% of its seated capacity. The Curve audience pulls approximately 40% from city residents, 40% county residents with the balance from elsewhere in the UK and overseas.

De Montfort Hall, the largest arts venue in the city, has been owned and managed by the city council as a receiving house since it was built in 1913, offering a mixed programme of music, comedy, pantomime as well as hosting large events such as graduation ceremonies. In 2008, the cost to the council of running De Montfort Hall

was circa £1.4m per year with the venue achieving a £4m turnover, but in recent years turnover has grown to £5.5m while the cost to the council has decreased to circa £600k, and now sells 230,000 tickets which represents 68% of its seated capacity, with audiences being pulled approx. 60% from the city and 40% from the county and beyond.

In considering future business models and programming mix for Haymarket, particular consideration needs to be given to potential impacts, positive and negative on these venues, as both receive significant public sector financial support.

In terms of what success looks like, ideally a relaunched Haymarket would achieve a number of key objectives and in particular deliver events and activities that

- particularly serve Leicester communities
- attract and engage communities and audiences less likely to be already engaged with culture
- assist in the development of diverse talent, particularly amongst young people
- assist the city to respond to the opportunities created by the Black Lives Matter movement
- celebrate and champion the diversity of the city
- complement other venues
- create new offers filling current gaps and taking advantage of new opportunities

Clearly it would be desirable for the total sums of public funding required for all three to be sustainably reduced, but in a way that ensures success in one place does not create problems in another. The current COVID situation clearly create specific risks for any future operation of the Haymarket or similar venues. For the purposes of this study it is assumed that the theatre will be able to re-open with no restrictions for social distancing.

Since the theatre closed the council has been approached by more than 20 individuals and organisations expressing an interest either in particular activity being programmed at the venue or in managing it. The successful consultant will be provided with contact details for this group and an important part of this commission will be engaging with and assessing the merits of such proposals, albeit at a high level.

PURPOSE OF THE BRIEF

Leicester City Council and the Arts Council intend to appoint an experienced cultural consultant to undertake a feasibility study and prepare recommendations for the re-introduction of the Haymarket Theatre to the city. This Brief sets out the requirements of the study and the basis on which the consultants shall deliver it.

This project is being jointly commissioned by Leicester City Council and Arts Council England. The feasibility study is designed to assess the options for reopening the Haymarket Theatre in a way which not only provides a stable future for the venue, but also stability for the wider cultural sector in the city.

Neither the City Council or Arts Council England have preconceived ideas as to how this might be achieved. Equally, both parties are fully aware of the financial issues and opportunities that are involved.

The proposed approach is to examine the cultural landscape in the city and to look at how the Haymarket Theatre can be brought back into operation in a way that allows it to be stable, viable and not detrimental to the existing offer. It requires information gathering on the city's existing cultural activity, clarification of gaps or opportunities in the market, and analysis of where audiences would come, especially audiences that are not currently served or who are less likely to be already engaged with culture. It also requires engagement with parties that have expressed interest in future management or programming activity at Haymarket.

Whilst the study takes account of cultural activity across the whole city, there is specific focus on how the three largest venues in the city (Haymarket, Curve and De Montfort Hall) would operate without significant detriment to each other.

It must also be noted that the Covid-19 pandemic will mean that the cultural sector in the city will be more fragile than it was before and will magnify the need to find a sustainable method of operating the Haymarket with the wider sector firmly in mind.

The consultant shall:

1. Assess the existing cultural sector and relevant commercial organisations in the city, and how their respective activities might be supported by the Haymarket.
2. Determine possible event programmes that could be introduced at the Haymarket whilst ensuring that they are not detrimental to the existing cultural offer in the city.
3. Research whether there is a market for these event programmes, and where Haymarket audiences and income might come from.
4. Examine how the Haymarket could reduce the council's expenditure or give a greater return for this expenditure.
5. Consult with organisations and individuals that have expressed or have an interest in the future of the Haymarket, and investigate available management options that would allow its operation to be financially stable and not detrimental to the wider cultural offer in the city.
6. Review the current strengths and weaknesses of the Haymarket building, including disability access, customer facilities, and technical equipment and make appropriate recommendations that would improve venue efficiency and performance.
7. Recommend how the city council should proceed, including preferred options in terms of selection, procurement process etc.

Appendix Two : Interim Feedback and Issues

Stakeholder interviews

- Arts Council emphasised the need to fully serve the communities of Leicester
- Curve, De Montfort and LCC confirmed the need to ensure that audiences are not undercut for the Curve and De Montfort
- Curve strongly emphasised the need for a clear and transparent process in developing the next chapter in the Haymarket's future

EOI interviews

Interviews have been carried out with:

- ☐ 6 organisations with a highly commercial interest
- ☐ 7 organisations/groups with a mixed charity/commercial model largely focussed on Theatre
- ☐ 5 organisations/groups which are not specifically about Theatre performances – bias towards music

Headline findings

There is strong and serious interest from a range of individuals and groups.

Many have committed significant time and energy into creating and drafting proposals.

Some proposals are coming from established organisations with a record of delivery and managing an effective business; some are new groups that would need to establish themselves as a new entity.

The range of offers so far includes:

- Commercial mixed artform programming of a traditional nature covering music, theatre, musical theatre and dance
- A community hub oriented around theatre with a talent development orientation, with some commercial cultural and non-cultural activity to generate income
- Music and music production or broadcast facilities, with a talent development function
- Production and training skills for theatre and music

Many interviewees commented on some or all of the following as key requirements if they were to take on the venue:

- Improving physical access in the venue – the poor access for disabled performers was often highlighted but access considerations in general were almost universally remarked on
- Improvements to the venue's ability to generate trading income through better toilet provision, bar facilities, catering
- Improvements to external access including the route from the car park, external steps, front entrance, stage door area
- Brand overhaul including for some name change and support from LCC on much stronger marketing visibility
- Transitional finance for at least 2 years

Other notable recurring themes included:

- Appreciation of the theatre space and the technical set up of the building, as well as its central location as key assets.

- The need to fit in with Curve and DMH programming – some were more prepared to take on a competitive stance than others
- A universal belief in the existence of a paying audience or customer base

Public consultation

A consultation survey went live on the LCC Citizen Space website on 7 October and was public until 5 November. 385 responses were recorded

- Over 90% were responding as individuals, with general interest or having attended as audience. A minority were representing organisations and/or also had professional interest; slightly more had amateur/community interest in the space, and education interest was also somewhat strong.
- Nearly 79% of respondents stated White ethnicity, with the next largest category as Asian at just over 7%, and extremely low to nil engagement more widely. Nearly two-thirds fell into the combined 36-65 age brackets, respondents were 52% female to 41% male (plus other/not answered).
- Lots of positivity around LHT's central role and presence in the city with many fond memories of events and experiences there for families, dating back decades. It is often credited for its intimacy and manageable scale, for its reputation and history. Lots of respondents are aware of recent capital investment and feel it has not yet had a chance to prove its worth due to Covid closure.
- The opportunity for a blended or mixed use across commercial, subsidised, community and education activity (including informal 'lifelong-learning') is recognised. Many hope there may be future scope for commercial conferences, or other private hires. There are several calls for wider (non-arts) charity partnerships to have access, e.g. for homelessness or youth issues, study groups, churches or playgroups.
- There is a common call to recognise the value of flexible intermediate or medium-sized spaces that fit below Curve/De Montfort scale but are larger and more formally-run than pubs and clubs for things like live popular music, or (especially) comedy. Some commenting on classical music specifically note improvements needed to the acoustics, though the current provision is favoured for amplified music.
- Several commenting on possible artistic use point at activity/genres less well represented in Leicester - eg. contemporary music, fashion/design, folk/jazz, cinema, talks/workshops. Some comments acknowledge the recent eSports efforts and refer to TED Talks or live streamed events as possible new routes.
- Main negatively critical themes related to poor marketing and customer service, bad accessibility support for disabled patrons or those less mobile; and many are concerned it is somewhat lost within the shopping centre and not visible enough.