

EXETER CITY COUNCIL

EXECUTIVE 23 JANUARY 2007

NORTHCOTT THEATRE – DEVELOPMENT AND REFURBISHMENT

1. PURPOSE

- 1.1. To inform Members of progress with the proposed improvements to the Northcott Theatre and to seek approval for additional support for the project.

2. BACKGROUND

- 2.1 On 21st June 2005, Executive approved a grant of £550,000 to support the proposed redevelopment of the Northcott Theatre, which has been incorporated into the Council's Capital Programme.
- 2.2 This decision was subject to the following:-
- the Theatre negotiating contributions totalling £450,000 from the County Council and the Arts Council;
 - a 30 year lease being signed between the University and the Northcott Theatre Trust;
 - due recognition being given to the City Council's contribution and that the Theatre is renamed the "Exeter Northcott Theatre"
- 2.3 Since its opening in 1967, the Northcott Theatre has been the main source of professional theatre to Exeter's residents and those living within reasonable travelling distance of the city. The theatre is built on land donated by the University of Exeter with money given by a trust set up by G.V. Northcott, the Calouste Gulbenkian Foundation, and the Arts Council. In more recent years it has been increasingly successful in regularly attracting large audiences for its own productions. It has consistently achieved average attendance levels of more than 80% compared with a national average of 58% for similar theatres.
- 2.4 The theatre is certainly at the core of the city's and the sub-region's cultural offer. It has supplemented its own productions by creating relationships with several major touring drama companies and brought in national opera and the ballet companies. Over the last few years and influenced by the Service Agreement with the Council, the Northcott has further expanded its range of work with the local community, by the establishment of the Northcott Young Company and the Northcott Community Company.
- 2.5 The attendance levels and a growing regional and national reputation have led to the achievement of balanced budgets and a necessary reserve. The theatre's annual turnover is around £1.8 million, with grant revenue of some £0.84 million, representing 44% of total turnover. The remaining 56% is earned income of just over £0.94 million, the majority of which is through the box office.

- 2.6 Grant revenue and other forms of financial support to the theatre are made up as follows:-

	£
Arts Council England South West	528,703
University (through building costs and salaries of Artistic Director and personal assistant)	182,755
Exeter City Council	79,359
Devon County Council	45,000
TOTAL	<u>835,817</u>

- 2.7 The theatre's potential and its ability to meet the growing demand for its activities is limited by the condition of its current facilities. It is overdue for refurbishment and the requirements of the Disability Discrimination Act mean that the theatre needs to undertake major modifications to comply with the legislation. Also more stringent requirements relating to fire safety means that works are urgently needed to address fire precautions and escape routes, or the theatre will have to cease operation. Remedial works are needed to the heating and ventilation systems for audience comfort and safety.
- 2.8 The Theatre has undertaken a fund raising campaign to support the programme of improvements and has to date raised nearly £2 million.

3.0 PROGRESS WITH PROPOSED DEVELOPMENT

- 3.1 The original plans for the development of the theatre included the addition of some 100 seats, the construction of improved technical facilities, more space for audience circulation and corporate hospitality. Since the launch of the proposal, cost increases and difficulties in raising funds have forced the theatre to reduce the specification for the enhancements whilst ensuring that at least the essential improvements necessary to enable the theatre to continue in operation are achieved. The existence of other major fund raising projects, running concurrently with the Northcott's campaign, appears to have limited the scope for other major contributors to the project.
- 3.2 The theatre has drawn-up and revised plans for its refurbishment as follows:-
- new fire escape routes on either side of the theatre, housed in brick extensions
 - a lift shaft and lift for customers with mobility difficulties
 - a new fire alarm and public address system
 - addition of 30 extra seats into the auditorium
 - replacement of all existing seats
 - 6 spaces for people with disabilities
 - relocation of food servery
 - removal of asbestos
 - improvement of health and safety in the auditorium
 - new electricity supply

- 3.3 The projected costs for these improvements, including fees, furnishings, and equipment amounts to £2.27 million, with the start date set for February 2007, subject to final confirmation of funding.
- 3.4 In order to address the shortfall between funds raised and committed and the revised costs of the development, the theatre has approached the County Council, the University and the City Council for additional contributions. Both Devon County Council and the University have substantially increased their contribution from their original offer of support.

A breakdown of funding raised for the project is as follows:-

Donations received to date	£330,000
Donations pledged (firm pledges)	£340,000
University	£300,000
Exeter City Council grant	£550,000
Devon County Council	<u>£450,000</u>
TOTAL	<u>£1,970,000</u>

- 3.5 An application is being processed for a grant of £100,000 from the Arts Council, which leaves a shortfall of £200,000.
- 3.6 The theatre have approached the City Council for assistance with the remaining £200,000 on the basis of a request for an interest free loan, repayable at the rate of £40,000 per year from 2008/09.

4. CITY COUNCIL SUPPORT

- 4.1 The Northcott Theatre has a strong local and national reputation. Its creative output is considered to be of a high quality and its incoming touring performances and its education and community work complements its own productions. The theatre is a crucial element in the cultural provision in Exeter and a large part of Devon and therefore an important element in the ongoing development and indeed perception of the city.
- 4.2 Despite concerted effort by the theatre there remain no other sources of significant financial support and it is proposed that in order to close the funding gap, the City Council should provide the requested loan facility of up to £200,000 interest free. It is suggested that this should be repayable within five years at £40,000 a year, or less if a smaller amount is required.
- 4.3 The Council provides a revenue grant each year of £83,500 to the Northcott on the basis of a service agreement approved by Grants Committee. During the period of refurbishment it is intended that the Theatre will increase its community based activities as follows:-
- offer a more extensive programme of youth work and classes for young people and adults throughout 2007/2008
 - perform city centre street theatre, using the Northcott Young Company

- work with local writers at the Livestock Centre to produce a number of new plays
- produce a two-week community company family show in the summer, using the Shakespeare in the Gardens staging in Rougemont Gardens
- producing other performances based in community facilities outside the city centre.

4.4 In view of the need to advise the Northcott Theatre Trust of the outcome of their request as a matter of urgency, it is proposed that the decision to make the loan facility available be taken under Financial Regulation 20 by the Head of Economy and Tourism in consultation with the Leader of the Council, the Chair of Scrutiny Committee - Resources and the Chief Executive.

5. FINANCIAL IMPLICATIONS

5.1 The £200,000 interest free loan will result in a loss of interest foregone to the Council of not more than £10,000 per annum for the period of the loan, reducing each year.

6. RECOMMENDED that

6.1 The proposal be supported to make available an interest free loan of up to £200,000 to the Northcott Theatre as gap funding to enable the development project to proceed, on the basis indicated in paragraph 4 of the report, using urgency powers under Financial Regulation 20.

RICHARD BALL
HEAD OF ECONOMY AND TOURISM

ECONOMY & DEVELOPMENT DIRECTORATE

Local Government (Access to information) Act 1985 (as amended)
Background papers used in compiling this report: None