

## Why a new theatre for Exeter?

It has been argued over for decades but nothing has been done. We are a group of people who came together in January 2013 and spent the year looking into the pros and cons of a new theatre for Exeter. We have just published a full report of our findings and this is a summary of the questions we asked and what we found.

## Exeter already has five theatre venues. Surely that is enough?

The problem, we discovered, is not about what Exeter has but what it doesn't have. Exeter is a city of 120,000 people and a regional centre for the 425,000 living in the Heart of Devon. Its venues continue to do well but theatre attendance nationally is on the increase and it is changing; there is an increasing demand for bigger and well known shows that have come from the West End or are touring the regions before transferring to London. More young people are enjoying live shows than ever before and they are the future audiences. Yet the nearest venues to Exeter and the Heart of Devon that can stage big, popular shows are Plymouth and Torquay which are both a long drive away. Theatres with smaller seating capacities like the Northcott, cannot offer a big enough box office return to the producers. Exeter needs a larger main theatre to bring the best touring companies to the region, and which can also create shows which can then tour and earn money.

## It sounds expensive...

Several large new theatres have opened this millennium and we looked closely at the ones

that felt right for Exeter. We calculated the average cost to be £26.2m, and this at a time when all areas of public spending have been experiencing cutbacks.

## How can that expense be justified - are we crazy?

We don't think so.

We are probably looking at a decade long development period, by which time the regional population will have risen to over 500,000 and hopefully the present national and local economic battles will have borne fruit. We will have been preparing ahead of the game at a small initial cost.

We have analysed where the capital for these developments has come from and while local authorities have sometimes been the main funders, between 40% and 60% of funding has been raised elsewhere.

## This means that at least 40% of capital would come from local authorities.

Yes – maybe, although we found that some local authorities managed to do deals with developers to reduce this amount. One of the roles of our local authority is to invest in the community's development and facilities. This is particularly true now with so many new homes on the way and significant sums of money coming in to Exeter from Central Government via the New Homes Bonus Scheme. And unlike a swimming pool or a museum, we have evidence that once built, a new theatre will not be a continuous drain on council resources

## But theatre has such a poor reputation as an investment.

In the past maybe, but over the last decade this perception has been turned on its head. The reason – a new formula developed by economist, Dominic Shellard, which has been shown to accurately assess and even predict the impact that a theatre will have on its local economy. We have looked at two very different theatres where Shellard's model has been used:

*The New Marlowe Theatre, Canterbury*, opened two years ago after a decade long development. At the outset it was estimated to cost £25.8m. The City Council was supportive but obviously nervous. So the Project Managers used the Shellard formula to predict how quickly the Council would receive a return on their money. The figure they arrived at surprised everyone – the theatre would return £22m to the local economy each year. Last year they assessed the reality of that prediction and discovered that in its first year, the theatre out-performed it, returning £24.3m to the Canterbury economy.

Last year an Exeter theatre used the same model to assess its impact. The 72 seat award-winning *Bike Shed Theatre* along with its bar assessed its performance for 2012. It discovered that it had generated £1.58m for the Exeter economy.

Theatres throughout the West End and major regional ones like the Chichester Festival Theatre are making these assessments annually. They show that theatre is as comparable to retail as a generator of economic activity for a city like Exeter.

