



**Committee: OVERVIEW AND SCRUTINY COMMITTEE**

**Date: WEDNESDAY, 18 JUNE 2014**

**Venue: MORECAMBE TOWN HALL**

**Time: 7.00 P.M. OR AT THE RISE OF AUDIT COMMITTEE – WHICHEVER IS THE LATER.**

Councillors are reminded that as Members of overview and scrutiny they may not be subjected to the Party Whip, which is prohibited under the Lancaster City Council Constitution.

## **A G E N D A**

- 1. Apologies for Absence**
- 2. Items of Urgent Business authorised by the Chairman**
- 3. Declarations of Interest**

To receive declarations by Members of interests in respect of items on this Agenda.

Members are reminded that, in accordance with the Localism Act 2011, they are required to declare any disclosable pecuniary interests which have not already been declared in the Council's Register of Interests. (It is a criminal offence not to declare a disclosable pecuniary interest either in the Register or at the meeting).

Whilst not a legal requirement, in accordance with Council Procedure Rule 10 and in the interests of clarity and transparency, Members should declare any disclosable pecuniary interests which they have already declared in the Register, at this point in the meeting.

In accordance with Part B Section 2 of the Code Of Conduct, Members are required to declare the existence and nature of any other interests as defined in paragraphs 8(1) or 9(2) of the Code of Conduct.

- 4. Request to Call-in Cabinet Decision - Request from Dukes and Grand Theatres for Grant Support - 27th May 2014 (Minute 6) (Pages 1 - 92)**

The Cabinet decision on the Request from Dukes and Grand Theatres for Grant Support (Minute 6) taken by Cabinet on 27<sup>th</sup> May 2014 has been requested to be called in by Councillors Roger Dennison and Roger Mace (Overview and Scrutiny Members) and by Councillors Keith Sowden, Joan Jackson and Caroline Jackson.

This request was subsequently agreed by the Chief Executive. The decision has been called-in in accordance with Part 4 Section 5, Paragraph 16 of the Council's Constitution.

Councillor Janice Hanson (Deputy Leader and Cabinet Member with responsibility for Economic Regeneration and Planning), Andrew Dobson, Chief Officer (Regeneration and Planning) and Nadine Muschamp, Chief Officer (Resources) have been invited to attend to outline the basis on which the decision was made.

Included in the agenda :

- Call-in Procedure
- Call-in Notice
- Revised recommendation of Councillor Hanson – this superseded the original recommendation included in the Cabinet report
- Report to Cabinet and Cabinet Minute Extract

## **ADMINISTRATIVE ARRANGEMENTS**

### **(i) Membership**

Councillors June Ashworth (Chairman), Roger Dennison, Caroline Jackson, Tony Johnson, Roger Mace, Ian Pattison, Pam Pickles, Emma Smith and David Whitaker

### **(ii) Substitute Membership**

Councillors Tony Anderson, Chris Coates, Mike Greenall, Joan Jackson and Richard Rollins

### **(iii) Queries regarding this Agenda**

Please contact Jenny Kay, Democratic Services - telephone (01524) 582065 or email [jkay@lancaster.gov.uk](mailto:jkay@lancaster.gov.uk).

### **(iv) Changes to Membership, substitutions or apologies**

Please contact Members' Secretary, telephone 582170, or alternatively email [memberservices@lancaster.gov.uk](mailto:memberservices@lancaster.gov.uk).

MARK CULLINAN,  
CHIEF EXECUTIVE,  
TOWN HALL,  
DALTON SQUARE,  
LANCASTER, LA1 1PJ

Published on Tuesday, 10<sup>th</sup> June 2014.

**EXTRACT FROM THE CONSTITUTION**

**Part 4 – Rules of Procedure,  
Section 5 – Overview and Scrutiny Procedure rules,  
Paragraph 16 – Call-in Procedure.**

**Call-in Procedure**

In considering a Call-in decision the following procedure will be followed:

- The Councillors who have made the Call-in request (who shall be seated together) will outline the reasons for the Call-in;
- The relevant decision-maker(s), with support from the appropriate officer(s) (who shall be seated together), will outline the reasons for their decision and the issues that they took into account;
- Councillors who are signatories to the Call-in request will have the opportunity to question the decision-maker;
- Other Members of the Overview and Scrutiny Committee will have the opportunity to question the decision-maker;
- At the discretion of the Chairman, other Members present may have the opportunity to question the decision-maker;
- Before forming a decision, the Chairman may decide to adjourn the meeting in order to allow the Call-in signatories to reflect on the evidence received and to consider any recommendations they wish the Committee to consider.
- The meeting then moves to forming a decision in accordance with the Council Procedure Rules.

<b>REQUEST FOR CALL-IN</b>
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This form is to be used when calling in a decision taken by the Cabinet, an Individual Member of the Cabinet or a committee of the Cabinet, or a key decision made by an officer with delegated authority from the Cabinet, or under joint arrangements. The full procedure is set out in paragraph 16, Part 4, Section 5 of the Constitution and page 7 of the Handbook.

<b>ITEM TO BE CALLED IN:</b>	
Request from Dukes and Grand Theatres for Grant Support - 27 <sup>th</sup> May 2014 (Minute 6)	
<b>DATE DECISION TAKEN:</b>	
<b>DECISION TAKEN BY:</b>	<b>Tick</b>
Cabinet	x
Individual Member of Cabinet (please state) Councillor	
Committee of Cabinet (please state)	
Key Decision by Officer with delegated authority (please state)	
Joint Arrangements (please state)	
<b>REASONS FOR CALL-IN:</b> <b>(please indicate your reasons below)</b>	<b>Tick</b>
(a) Proportionality (i.e. the decision is not proportionate to the desired outcome).	x
(b) Lack of, or insufficient consultation and the taking of professional advice from Officers.	x
(c) Lack of, or insufficient respect for human rights.	
(d) Lack of openness.	x
(e) The aims and desired outcomes of the decision are not clearly expressed.	x
(f) Insufficient information about the options that were considered or the reasons for arriving at the decision.	x
(g) Other (please give your reason(s) in full below).	x

REASONS AND (IF APPROPRIATE) PROPOSED ALTERNATIVE COURSE OF ACTION :

The decision makers in Cabinet should be called to account for their decision in this case, as it was not in accordance with the officers' preferred option as set out in the Cabinet agenda papers.

The justification for treating differently the two separate requests for support needs to be clarified if it is to be upheld.

If the decision is upheld, the risks set out in the Cabinet report, as set out below :

- *May raise future expectations*
- *Runs contra to aims for moving towards a commissioning approach*
- *Could lead to other similar applications for grant aid or perceived unfairness*

will remain and be valid. The decision of Cabinet does not advise how the Council will deal with these risks.

The original recommendation was altered in an email. It appears to us that a third decision was formulated with other Councillors excluded with no documented evidence to support the decision.

The Cabinet report stated that British Land may contribute half of the funding – why in that case did Cabinet agree to the full £12,000.

This decision is an inappropriate use of public funds.

The decision does not contain any evidence of officer advice sought after the Dukes and Grand participation in the public speaking part of the Cabinet meeting. There is therefore a lack of transparency in the making of this decision. There is also **not** a presumption in favour of openness as set out in Article 13 - decision making.

The aims and desired outcomes are not clearly expressed in this decision. It does not provide a reason why one organisation has been provided with funding and one has been offered an alternative form of funding which is not in accordance with the principles of decision making. An explanation of the reasons for arriving at this decision is not offered.

The second part of the decision invites the Grand Theatre to apply for a grant through the Arts Commissioning Framework. This framework is not in place.

**SIGNED:**

Members of Overview & Scrutiny Committee

Cllr Dennison

Cllr Mace

Three Further Councillors

Cllr Sowden Cllr Joan Jackson Cllr Caroline Jackson

*(Note: A valid request for call in must be signed by a total of 5 Members of the Council, including 2 or more Members of the Overview & Scrutiny Committee, and all 5 Councillors must not be from the same political group.)*

**DATE:** 5<sup>th</sup> June 2014

This request for call in must be submitted to the Chief Executive (by post, fax or e-mail) within 5 working days of the date of publication of the decision.

**Cabinet - Item 8 – Request from Dukes and Grand Theatres for Grant Support**

Revised recommendation of Councillor Hanson :

That Cabinet recognises and supports the continued importance of The Dukes and The Grand as an essential part of the Arts Provision in the District, with both theatres effectively being integral to any future redevelopment of the Canal Corridor North site. Accordingly, Cabinet calls on British Land to translate their commitment into practical support by considering the request from The Dukes for the £12,000 additional grant they require at this time and the request from The Grand for financial assistance of £3,400 per annum, or other equivalent, as part of their support to assist the Theatres in the establishment of their business plans.

<b>CABINET</b>
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## Requests from Dukes and Grand Theatres for Grant Support

27<sup>th</sup> May 2014

### Report of Chief Officer (Regeneration and Planning)

<b>PURPOSE OF REPORT</b>			
To consider requests from the Dukes and Grand theatres for additional funding support.			
<b>Key Decision</b>	<input type="checkbox"/>	<b>Non-Key Decision</b>	<input checked="" type="checkbox"/> <b>Referral from Cabinet Member</b>
<b>Date of notice of forthcoming key decision</b>		n/a	
<b>This report is public</b>			

#### RECOMMENDATIONS OF COUNCILLOR JANICE HANSON

1. That neither of the requests be granted.

#### 1.0 Introduction

- 1.1 Both the Dukes and Grand Theatres sits alongside and are effectively an integral part of the Canal Corridor North site and one of the ambitions for that project is to provide the means to improve the cultural offer of both the Grand and Dukes theatres within the city. British Land remain committed to this aim but have made it clear that in both cases the complementary investment into the theatres alongside the development will be capped in capital contributions terms, and further contributions made in kind via architectural design assistance. In short any significant business improvement proposals for each theatre would not be capable of being funded fully by that project. In both cases the theatres intend to use the potential for those contributions to assist in the development of their business plans.

#### 2.0 The request from the Dukes

- 2.1 The Dukes have already benefitted from assistance with business planning when the council recently appointed consultants to advise it on the theatre's potential to be developed further in business terms (part of the recent service review process). Following on from the work done on the council's behalf by the business consultants a second phase of work was programmed to use

specialist theatre architects Levitt Bernstein to work on draft proposals (in concept form rather than detailed architecture) to evaluate options for developing the Dukes offer to match the potential business opportunities. These would be expected to consider extending the existing Dukes Building, potentially utilising space in the Mitchells Brewery Building or improving the screening facilities in the Storey Creative Arts Centre.

- 2.2 The Dukes have allocated a limited amount of funding towards that work being undertaken (£6.75K) but are now asking the City Council to provide additional grant amounting to £12k to complete the commission. It is also very much in British Land's interests that any uncertainty over the growth requirements of the Dukes be removed and it has been put to them that they might at this key time provide the additional funding for this commission. To date they have given a mild commitment to potentially meeting 50% of the concept design and costing element by Levitt Bernstein but this still leaves a potential £6K funding gap for the Dukes to find – assuming that British Land did not increase their potential funding offer.
- 2.3 The contributions to business planning which the council has made so far have highlighted the lack of focus that the Dukes have had on this vital area of business to date. From the Council's perspective, in particular as part funder of the theatre's current operations, it has evidenced the justification for support given so far, and the potential for business growth to reduce this level of support. Unfortunately this has also led to an expectation by the Dukes that the Council should continue to fund some of its further business development activities.

### **3.0 The request from the Grand**

- 3.1 The details of the request are set out in some detail in the report to Cabinet on 11<sup>th</sup> March. In summary, the request is for financial assistance equivalent to the cost of the Grand's lease from the City Council for part of the car park at the front of the theatre. This equates to £3,400 per annum, noting that this includes VAT as the Grand is not VAT registered. Members will recall the officer view that if such assistance was to be offered, this would need to be in the form of a grant but that more information was needed to consider this properly.
- 3.2 In response, the Grand has provided copies of its last two completed accounts (2011/12 and 2012/13). The 2013/14 accounts are not yet available as the Grand's financial year runs to the end of April. This is expanded upon later in the financial implications section. The Chairman of Lancaster Footlights has also provided a short note (appended) explaining the context for the accounts which also contains observations on the link between the Grand's performances and the City Council's car parking revenue.
- 3.3 In terms of this latter point, the Parking Manager has confirmed that for the latest 12 months that is available the Council generated £12,700 in parking fees from evening parking and tariffs that include an element of evening parking (those customers arriving before 6.00pm and staying into the evening). When VAT is deducted this equates to £10,590. This is from Upper and Lower St Leonard's Gate and Lodge Street car parks. This



accounts for around 10% of our total revenue generated from evening parking charges. However, it is impossible to say what proportion of this income is directly attributable to the Grand Theatre or for that matter any other local businesses. The fact is that the Council has a car parking strategy which is underpinned by a pricing policy which has already been agreed as part of the 14/15 budget process, and this in turn directly supports the aims and objectives of the Council's corporate plan. It should be further noted however, that in terms of fairness this principle could also be applied to all local businesses whose customers use the council's public car parks.

3.4 The Grand Theatre remain in dialogue with British Land/Centros over their inclusion within the Canal Corridor scheme. These discussions need to continue in parallel with development of the Canal Corridor scheme but at the time of writing there is nothing further to add to the comments included in the March report.

**4. Details of consultation**

4.1 No consultation has been necessary

**5.0 Options and Options Analysis (including risk assessment)**

	<b>Option 1:</b> That neither request be granted.	<b>Option 2:</b> To award grant funding in full to one or both theatres.	<b>Option 3:</b> To award one or both theatres grant funding in part (e.g. lower amount, or for shorter period).
Advantages	<p>No further draw on the Council's budget at a time of budgetary pressure.</p> <p>Reduces the likelihood of a future conflict of interest with the Canal Corridor redevelopment.</p> <p>May help maintain / encourage financial independence of the theatres, and/or encourage greater financial contribution from British Land.</p>	<p>Supports the theatres at a time when they need to make provision for development proposals.</p>	<p>The draw on the Council's budget is less than the full cost.</p>
Disadvantages	<p>The theatres may not be able to advance their preparations for developing their offers alongside the Canal Corridor</p>	<p>Additional cost to the Council at a time of increasing budgetary pressure.</p>	<p>As per option 2, albeit a lesser amount.</p>

	redevelopment.		
Risks	Could be perceived as showing a lack of support for well-known cultural facilities in the area and the theatres might not support the council in its ambitions for the Canal Corridor redevelopment.	<p>May raise future expectations.</p> <p>Runs contra to aims for moving towards a commissioning approach.</p> <p>Could lead to other similar applications for grant aid, or perceived unfairness.</p>	<p>As per option 2.</p> <p>May fail to meet either theatre's objectives.</p>

**5.1 Officer Preferred Option**

Option 1 is the preferred option for the reasons given below.

**6.0 Conclusion**

6.1 Successful theatres benefit the district in a number of ways and are a key element of the Canal Corridor scheme. The case for providing more financial support must be balanced against the potential for other similar operators to approach the council for support (given the current budgetary climate) and possible conflicts of interest in terms of the Canal Corridor scheme.

**RELATIONSHIP TO POLICY FRAMEWORK**

The development of the district's arts offer is highlighted as a key economic development objective in the Council's Cultural Heritage Strategy. This form of economic development activity aligns with the Corporate priority for economic growth in the Corporate Plan.

**CONCLUSION OF IMPACT ASSESSMENT**

**(including Health & Safety, Equality & Diversity, Human Rights, Community Safety, HR, Sustainability and Rural Proofing)**

No impacts on the above

**LEGAL IMPLICATIONS**

The two requests relate to discretionary grants and there are no direct legal implications arising from this report. However the Canal Corridor Development Agreement with Centros/British Land places obligations on the Council and the Developer which may influence the aspirations for both theatres and it would be premature to consider offering financial assistance at this time until the development proposals are crystallised, as they may offer a more holistic solution to the ambitions of both theatres.

**FINANCIAL IMPLICATIONS**

There are no additional financial implications arising from the officer preferred option 1.

The Dukes reported a £33.1K deficit within their audited accounts on their general unrestricted operating reserve for the period ending 31 March 2013. The Trustees report states that going forward the Dukes have set a budget for the 3 years to March 2016 with the aim of achieving a forecast £64.9K on their general unrestricted reserve. It is not possible to comment fully on their latest financial position however, as the 2013/14 draft accounts will not be available until the end of May. It is worth noting that the Dukes have recently advertised a new senior Executive Director role within the organisation to take on responsibility for the financial direction and increasing complex tasks in managing the theatre, although it is not clear how this will be funded at this stage.

The Grand has provided accounts for the years ending 30 April 2012 and 2013 and these show that at the end of their 2012/13 financial year, they hold an operating reserve totalling £36K (exceeding their stated policy of maintaining an operating balance of £20K). A further note has been provided by the Chairman of Footlights predicting a £5K loss for the period ending April 2014 compared to an underlying £7K surplus in the previous year after accounting for one off income and capital expenditure funded from reserves. Again, at this stage as there are no accounts available for 2013/14 it is not possible to comment fully on the Grand's latest financial position.

It is re-iterated that to date neither theatre has provided a clear reason/strong business case to support their respective request for grant funding. Should Members be minded to support either option 2 or 3, however, then there will be an additional one-off cost to the Council of up to £12K relating to the Dukes and a further additional cost of up to £3.4K per annum relating to the Grand, for as many years as the grant is awarded with the following sources of funding identified:

- Performance Reward Grant Reserve (from the £15K allocated for voluntary sector initiatives)
- Arts Development Budget (from the £4.6K uncommitted balance remaining in 2014/15, noting that this could mean a redirection of resources from other Arts Development activities as and when they come forward meaning they might not be able to progress in the current financial year).

#### **OTHER RESOURCE IMPLICATIONS**

**Human Resources:**

None

**Information Services:**

None

**Property:**

The Dukes Theatre is owned by the City Council so any expansion or improvement of the building would have a direct impact on the council's property portfolio.

**Open Spaces:**

None

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**SECTION 151 OFFICER'S COMMENTS**

The Section 151 Officer advises Cabinet to consider carefully the considerations outlined in this report in reaching any decision; she is in support of the officer preferred option.

**MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has been consulted and has no further comments.

**BACKGROUND PAPERS**

None.

**Contact Officer:** Andrew Dobson  
**Telephone:** 01524 582303  
**E-mail:** adobson@lancaster.gov.uk  
**Ref:**

## Lancaster Grand Theatre Finances put into Context following the request from the Cabinet Meeting on 11<sup>th</sup> March 2014

The reason behind the request to the theatre for more information arose from the request by the Grand Theatre for financial support in connection with the lease from the City Council of £3432 (£2860 + VAT as the Grand is not VAT registered) to rent the small car park used by theatre volunteers and staff..

### 1. Background to the current financial year.

- After all non- recurring items had been taken out, the 2012-13 financial year produced a small underlying trading surplus of £7K with operating costs of £249K.
- Since the 2012-13 year end, there have been two long term and ongoing changes to the theatre income and expenditure streams which reduce any surplus by £16K. In addition, following the national trend felt by all theatres, seat sales have fallen in the current year. Analysis of figures to date show the drop to be around 11% compared to last year. This reduces the bottom line even further by £11K which, with other minor changes reduced predicted profits by around £30K to a potential loss of £23K, completely swamping last year's surplus of £7K.
- Predicting it was likely to be a difficult year, cost reduction measures were put in place at the beginning of the financial year in an attempt to avoid making a loss, with a target cost reduction of £20K. However, as the year has progressed, even if these cost reductions are fully realizable, the year to date indicates that the theatre is still heading for a loss of around £5K.

### 2. City Council car parking - revenues arising directly out of Grand Theatre performances.

- The St Leonardgate and other public car parks, adjacent to the theatre, were used by customers for all the 145 nights of performances at the Grand last year. In total, 37,797 seats were sold.
- If all visiting customers travelled on average three to a car (the average size of our bookings), there would have been 12,500 cars parked in city car parks over the year. At £1-40 per car, that would have produced a potential income to the council of £17,500. However, in reality not all customers come by car so if it assumed that only half of them came in private cars, the income generated would still have been £8750. (There is additional car parking revenue from some customers who travel into town well before the show, pay to park, get a meal and then pay the £1-40 evening parking as well).
- Putting the size of the request into context, £3432 is the equivalent revenue to 2451 cars parked on city car parks in the evening over the year which equates to 17 cars parked per performance. There is absolutely no doubt that this is well below the actual theatre car parking levels and it is clear therefore that the income generated for the city by the shows at the Grand is probably nearer the £8750 above, significantly above the £3432 requested.

Mike Hardy

Chairman of Footlights

**LANCASTER FOOTLIGHTS  
TRUSTEES' REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 30 APRIL 2012**

**LANCASTER FOOTLIGHTS**

**LEGAL AND ADMINISTRATIVE INFORMATION**

<b>Trustees approving the accounts</b>	Mike Hardy June Akrigg David Slater James Smith Dorothy Walker Emily Jefferson Paul Mullineaux Sim Lane-Dixon Donna Pullin Terry Akrigg Carl Hayhurst	Chairman Secretary Finance Director
<b>Theatre manager</b>	Elaine Singleton	
<b>Secretary</b>	June Akrigg	
<b>Charity Number</b>	509425	
<b>Independent examiner</b>	Charles R Willett of Taylor, Robertson & Willett Limited, Chartered Certified Accountants, 95 King Street Lancaster, Lancashire. LA1 1RH	
<b>Bankers</b>	Yorkshire Bank plc 45 Penny Street Lancaster Lancashire LA1 1UE	
	COIF Charities Deposit Fund St Alphage House Fore Street London	

**LANCASTER FOOTLIGHTS**

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## LANCASTER FOOTLIGHTS

### TRUSTEES' REPORT FOR THE YEAR ENDED 30<sup>th</sup> APRIL 2012

The trustees present their report and accounts for the year ended 30 April 2012.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's constitution, applicable law and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in March 2005.

#### Organisation

##### Constitution

Footlights is governed by its constitution which was revised at an EGM in June 2012. Changes to the constitution require approval of a majority of the members present at an Annual General Meeting or an Extraordinary General meeting. In the event of dissolution of Footlights, the property and assets would be disposed of by the Custodian Trustees to the benefit of any educational, literary or artistic institution in the City of Lancaster or its neighbourhood with the approval of the Charity Commissioners provided that such an institution is charitable. The proceeds of disposal would not be paid or distributed to members in any way.

##### Appointment of Trustees

The Board (the Trustees) are appointed for a year and their appointment is undertaken annually at the September AGM. Members wishing to seek election or wishing to nominate others can put their names forward for consideration. There is no limit on existing members' service. Ballots are required if there are more nominees than places available. No external body has any power of election of Trustees.

##### Induction and training of Trustees

Trustees are briefed on their legal obligations under charity law, the decision-making processes of the Board, the business plan and recent financial performance of the charity.

##### Organisational Structure and Decision Making

The Board administers the charity. It meets up to eight times a year and has several sub committees and persons reporting to it. These are:

- Production Committee (responsible for selecting and recommending Footlights production titles)
- Theatre Buildings Management Committee
- Bar Manager
- Coffee Bars Manager
- Costume Management and Hire Manager
- Footlights costume co-ordination manager
- New Spaces Fund raising Committee

Ad hoc committees can also be formed for specific short-term requirements. Decisions of "last resort", including the financial area and the carrying out of higher supervisory tasks, are made by the Board. The Theatre Manager manages the day-to-day operations of the charity. To facilitate effective operations, the Theatre Manager has delegated authority, within the terms approved by the Board for operational matters including finance, employment and some artistic performance related activities.

## LANCASTER FOOTLIGHTS

### TRUSTEES' REPORT FOR THE YEAR ENDED 30<sup>th</sup> APRIL 2012

#### **Risk management**

The Board has a risk management strategy comprising

1. An annual review of the risks the charity may face
2. The establishment of systems and procedures to mitigate those risks identified
3. The implementation of procedures and policies designed to minimise any potential impact on the charity should those risks materialize.

This assessment has in the past resulted in comprehensive emergency procedures (which are regularly exercised), pre-performance safety checks, improvements to the fire detection system and production of generic risk assessments. Financial risks are managed by limiting delegations, spending controls and the policy of maintaining adequate reserves.

#### **Objects and Activities**

The objects of Footlights are to:

1. promote, maintain, improve, and advance education, particularly by the production of educational plays and the encouragement of the Arts, including the arts of drama, dramatic authorship, mime, dancing, singing, and music,
2. maintain and preserve the Grade II listed building built in 1782 known as the Lancaster Grand Theatre as an ongoing venue for such plays and encouragement of these objects

Footlights mission is to provide a venue for community theatre and thus contribute to the quality of life of the people of Lancaster and its surrounding areas by expanding their horizons through the provision of exciting, challenging and accessible professional and community arts events.

The strategies employed to achieve the charity's objectives are to:

1. offer opportunities for a broad range of people to get involved in arts activity exploring their own creative powers,
2. provide facilities for amateur (and professional) artists to develop,
3. concentrate on involving young people in the arts to help encourage a culture in which different age ranges play a complementary part,
4. present a broad range of arts work.

#### **Communications to members**

A monthly members' newsletter (Footnote) keeps members informed of Footlights activities and Board meeting decisions. Informal meetings of members and "Friends of the Grand" take place on Saturday Mornings in the theatre foyer. Total membership for the year was 271 (296 in 2010/11) with a further 36 "Friends of the Grand". "Friends of the Grand" help with theatre related activities in addition to Footlights members but do not specifically take part in Footlights activities.

#### **Productions by other Amateur Groups**

Four local Musical Societies hired the theatre for a week each and produced a variety of musical shows. Two of the local dancing schools hired the theatre for dancing shows involving their pupils. The theatre hosted another very successful local talent show in conjunction with a local newspaper and Nationwide Building Society. The Grand Rock Out was repeated following its success over the past years as a showcase for local rock bands. Lunchbox Theatre put on Four Divorces and a wedding.

#### **Productions by Professional Companies**

Various professional companies hired the theatre for 56 nights in total. The productions varied in their nature and appeal including ballet, tribute bands, musical shows, and several nationally known comedians. Some of these were Shappi Khorsandi, Chubby Brown, Cannon and Ball, Barry Cryer, Freddie Starr and Jenny Eclair. Specific childrens' related shows included "The Dragon who lost his home", "Hairy Maclary" and "The Chuckle Brothers". The wide range of acts programmed is designed to attract different audience types to the theatre and hopefully entice them into becoming regular theatre goers.

**LANCASTER FOOTLIGHTS****TRUSTEES' REPORT FOR THE YEAR ENDED 30<sup>th</sup> APRIL 2012****Other uses of the Theatre**

The theatre was hired on several occasions during the night by paranormal societies who set up their equipment to look for the reputed ghost within the theatre.

**Contribution of Volunteers**

Footlights members and Friends of the Grand volunteered their time to support Footlights plays and all other performances. They also gave their time towards maintenance and improvement of the theatre building and providing the additional service of costume hire.

**Staff**

There was a reduction of one staff member in the box office this year. In addition to a full time Theatre Manager, the theatre continues to employ the following on a part time basis: two duty managers, four box office assistants, a handyman, a cleaner and a technician.

**PERFORMANCE INFORMATION****Audience Figures**

The total audience numbers covering productions was slightly down on the year before reflecting four fewer performances. However, the average capacity factor was 1% higher than last year at 57% mainly due to the increase in Footlights audience sizes. Internet bookings again increased from the previous year with the overall average figure now rising to 33%. The community groups experienced a significant increase in internet bookings due to the change in ticket sales policy from some of the groups.

Organisations	Performances 2010/11	Performances 2011/12	Seats sold 2010/11	Seats sold 2011/12
Footlights	36	<b>38</b>	8,837	<b>9,814</b>
Community groups	39	<b>41</b>	10,192	<b>11,311</b>
Professional acts	64	<b>56</b>	17,151	<b>14,250</b>
<b>Total</b>	139	<b>135</b>	36,180	<b>35,375</b>

Organisations	Internet bookings 2010/11	Internet bookings 2011/12
Footlights	16%	<b>32%</b>
Community groups	6%	<b>27%</b>
Professional acts	38%	<b>40%</b>

Average capacities were as follows:

	2010/11	2011/12	Change
Footlights shows	39%	<b>56%</b>	+17%
Community groups	59%	<b>60%</b>	+1%
Professional acts	56%	<b>55%</b>	-0.7%

## LANCASTER FOOTLIGHTS

TRUSTEES' REPORT FOR THE YEAR ENDED 30<sup>TH</sup> APRIL 2012**Production of plays**

During the financial year Footlights presented the following productions

The Twits	Roald Dahl
Bedroom Farce	Alan Ayckbourn
Cinderella Pantomime	Lynne Schofield
Spring and Port Wine	Bill Naughten
Blood Brothers	Willy Russell

In addition, Act One Summer School was run by Footlights for a week in August ending in a performance of Bugsy Malone

**Studio Footlights**

Studio Footlights was set up as an additional string to Footlights bow to complement the mainstream Footlights productions at the Grand. It is intended to allow Footlights to offer plays that are better suited to the informal intimate setting of a studio theatre whilst retaining the high quality support already established at the Grand Theatre

The venue chosen for the first studio performance was the Gregson Community and Arts Centre, less than ½ mile away from the Grand. A rolling programme of three plays each year is being planned. The first production planned was "The Pillow Man" by Martin McDonagh which attracted many new members to be in the cast

**FINANCIAL PERFORMANCE****Overall Trading results**

Following last year's trading surplus of £39K, this year also turned in a trading surplus of £36.8K. Again a significant contribution came from the professional lets but Footlights attendances were also up on last year - the pantomime was watched by over 6,000 people and Rebecca and Blood Brothers 1,300 and 1,400 respectively

**On-line booking**

Since the introduction of internet booking in 2009, the proportion of internet booking has increased year on year. This has been a major factor in the increase in professional let attendance levels. The figures for on-line bookings this year continued this trend. The majority of the on line bookings were for professional acts at 40% (38% 2010/11) but Footlights were not far behind at 32% (16% 2010/11) and the community groups increased their on line bookings significantly to 27% from 6% in 2010/11

**Capital items**

All the items listed in last year's accounts have been purchased or the work done plus two additional large jobs – the upgrading the computer systems and electrical upgrading work mainly back stage. Details are

1	Replacement of 2 sets of stalls external doors	£ 2.4K
2	Installation of an additional motorised storage bar at the rear of the stage to improve lamp storage facilities	£ 2.4K
3	Replacement of the worn out and stained stalls carpet	£ 1.9K
4	Removal of remaining cast iron heating system pipework and radiator in the stalls and regulation of flows to the stage and dressing rooms	£ 7.9K
5	Updating of lighting control desk	£ .6K
6	Loading ramp and platform	£ .1K
7	Mandatory replacement of radio microphones	£ 9.8K
8	Replacement server	£ 4.5K
9	Stage camera	£ 0.9K
	Total	£ 36.7K

**LANCASTER FOOTLIGHTS****TRUSTEES' REPORT FOR THE YEAR ENDED 30<sup>th</sup> APRIL 2012****Income**

The revenue from Footlights benefitted from well attended productions with box office receipts £9K up on last year at £73K (£64K 2010/11). Income from professional lets was also up on last year. Again, careful selection of visiting acts and keen contract negotiations by the Theatre Manager produced excellent results. The total professional lets income was up £4K at £61K compared to £57K last year.

**Support Businesses - bar, coffee bars and costume hire**

The support businesses produced a net income of £22K (£2K down on last year). It was made up as follows:

Bar	£10.9K (2011: £15K)
Coffee bars	£ 7.7K (2011: £8.5K)
Costume hire	£ 3.8K (2011: £1.1K)
	£22.0K

Bar profits were down on last year reflecting lower sales volumes of £26.6K against £32K last year. Coffee bar profit was slightly down on last year again on slightly reduced sales (£20.3K against £20.9K). Costume hire profit easily beat their £2500 target set last year. This was a result of the combination of a review of hire terms and conditions, increased hire charges and regular Saturday morning openings. Costs were also reduced by moving costumes stored in rented accommodation to the Lune Estate scenery store saving £600 per annum.

**Publicity**

A total of £20.7K (£18.6K in 2010/11) was spent on advertising and marketing. The advertising costs were made up as follows:

	2011/12	2010/11
Newspaper and radio advertising	£6,590	£5553
Production and distribution of two "What's on" brochures	£8,807	£6868
External Posters	£2,830	£4190
Miscellaneous	£2,482	£1988
	£20,709	£18599

**Reserves Policy**

To cover emergencies and single year operational shortfalls, Footlights policy is to hold a minimum operational reserve of £20K. At the end of the financial year the operating reserve had risen to £67K which will reduce following expenditure on capital items and improvements in 2012/13. The expenditure will be limited to that required to maintain the £20K reserve.

**Asset cover for funds**

Note 12 sets out an analysis of the assets attributable to the various funds and a description of the trusts. These assets are sufficient to meet the charity's obligations on a fund-by-fund basis.

**FUND RAISING****a) Donations and legacies**

There were no legacies and any donations were put towards the new spaces appeal.

**b) New Spaces Appeal**

Fund raising has continued and the total raised by 30<sup>th</sup> April 2012 stood at £126K (£106K 2010/11). Fund raising continues to fund the required balance of £510K.

**LANCASTER FOOTLIGHTS**

**TRUSTEES' REPORT FOR THE YEAR ENDED 30<sup>th</sup> APRIL 2012**

**TRUSTEES**

**Charity Trustees**

The Board Members are the Trustees. Their names at the time of approval of the accounts are listed under legal and administrative information.

**Custodian Trustees**

Their function within the Constitution is to hold in trust the Grand Theatre buildings on behalf of Footlights. They are:

David Bateman	-	Retired Teacher
David Hardy	-	Solicitor
Mike Hardy	-	Retired Director
Sim Lane Dixon	-	Highways manager

To recognise the work and dedication to the Grand Theatre of Ray Langley, Footlights President and the Custodian Trustee who passed away last year, Box B was renamed "The Langley Box" in February 2012.

**Planned work for 2012/13**

1. Purchase of 18 LED par cans and 12 LED bars to reduce electricity consumption, improve lighting quality and flexibility and reduce the need for gels.	£10K
2. Replacement of the fire curtain	£20K
3. Re-tiling of the ground floor toilets floors	£ 3K
4. Replacement of the foyer carpet	£ 2K
5. Upgrade and enlargement of the under stage toilet	<u>£ 2K</u>
	£38K

**Future Direction**

There are five key actions:

1. Continue raising the required additional £510K to build the new foyer.
2. Continue to expand the use of the theatre as a community facility.
3. Build on the success of the Studio Footlights to improve the range of plays available both to actors and the general public.
4. Continue the drive to interest new, younger members to ensure continuity in the long term.
5. Continue the programme of replacement of ageing equipment

Signed by the Chairman on behalf of the Trustees



Mike Hardy

24 October 2012

Dated

**LANCASTER FOOTLIGHTS**

**INDEPENDENT EXAMINER'S REPORT**

**TO THE TRUSTEES OF LANCASTER FOOTLIGHTS**

I report on the accounts of Lancaster Footlights for the year ended 30 April 2012, which are set out on pages 8 to 19.

**Respective responsibilities of trustees and examiner**

As the charity's trustees, you are responsible for the preparation of the accounts; you consider that the audit requirement of section 43(2) of the Charities Act 1993 (the Act) does not apply. It is my responsibility to state, on the basis of procedures specified in the General Directions given by the Charity Commissioners under section 43(7)(b) of the Act, whether particular matters have come to my attention.

**Basis of independent examiner's report**

My examination was carried out in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanation from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

**Independent examiner's statement**

In connection with my examination, no matter has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
  - (i) to keep accounting records in accordance with section 41 of the Act; and
  - (ii) to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the Act;have not been met; or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Charles R Willett of  
Taylor, Robertson & Willett Limited  
Chartered Certified Accountants  
95 King Street  
Lancaster  
Lancashire  
LA1 1RH

24 October 2012  
Dated

LANCASTER FOOTLIGHTS  
 STATEMENT OF FINANCIAL ACTIVITIES  
 FOR THE YEAR ENDED 30 APRIL 2012

	Notes	Lancaster Footlights £	Grand Theatre £	Appeals & Legacy £	Total 2012 £	Total 2011 £
<b>Incoming Resources from Generated Funds</b>						
Donations, Legacies and Grants	2	-	-	10,943	10,943	12,144
Investment Income	4	-	703	1,838	2,541	804
		-	703	12,781	13,484	12,948
Incoming Resources from Charitable Activities	3	80,859	167,503	9,195	257,557	248,295
<b>Total Incoming Resources</b>		<b>80,859</b>	<b>168,205</b>	<b>21,976</b>	<b>271,041</b>	<b>261,243</b>
<b>Resources Expended</b>						
Cost of Activities in Furtherance of the Objects		48,832	197,303	2,082	248,218	198,788
Governance Costs		1,976	2,344	-	4,320	4,371
<b>Total Resources Expended</b>		<b>50,809</b>	<b>199,647</b>	<b>2,082</b>	<b>252,538</b>	<b>203,158</b>
<b>Net Incoming Resources Before Transfers</b>		<b>30,051</b>	<b>(31,442)</b>	<b>19,894</b>	<b>18,503</b>	<b>58,084</b>
Transfer to Balance Sheet Sinking Fund		-	(8,000)	-	(8,000)	(8,000)
<b>Net Income for the Year/Net Incoming Resources</b>		<b>30,051</b>	<b>(39,442)</b>	<b>19,894</b>	<b>10,503</b>	<b>50,084</b>
Transfer between funds		(17,500)	17,500	-	-	-
Fund Balance at 1 May 2011		9,639	29,417	106,004	145,060	94,976
<b>Fund balances at 30 April 2012</b>		<b>22,190</b>	<b>7,475</b>	<b>125,898</b>	<b>155,563</b>	<b>145,060</b>



## LANCASTER FOOTLIGHTS

## BALANCE SHEET

AS AT 30 APRIL 2012

	Notes	2012		2011	
		£	£	£	£
<b>Fixed Assets</b>					
Tangible Assets	8		229,000		233,500
<b>Current Assets</b>					
Stocks		1,960		1,690	
Debtors	9	7,670		9,408	
Cash at Bank and in Hand		255,628		200,675	
		<u>265,258</u>		<u>211,773</u>	
<b>Creditors: Amounts Falling Due Within One Year</b>	10	<u>(85,350)</u>		<u>(50,368)</u>	
			<u>179,908</u>		161,405
			<u>408,908</u>		<u>394,905</u>
<b>Income Funds</b>					
Unrestricted Funds:					
Revaluation Reserve	11		229,345		233,845
Sinking Fund	11		24,000		16,000
Designated Funds - Other Charitable Funds:					
Lancaster Footlights	11		22,190		9,639
Grand Theatre General Fund	11		7,476		29,417
Grand Golden and Theatre Appeals	11		125,897		106,004
			<u>408,908</u>		<u>394,905</u>

The Accounts were approved by the Trustees on

10<sup>th</sup> July 2012

*Mike Hardy*  
 Mike Hardy  
 (Chairman)

**LANCASTER FOOTLIGHTS**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 30 APRIL 2012**

**1 Accounting policies**

**1.1 Basis of preparation**

The accounts have been prepared under the historical cost convention.

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and the Charities Act 1993.

**1.2 Incoming resources**

Activities Income.

Activities income consists of ticket sales, letting, and all other similar income associated with the running of an amateur dramatic organisation and its associated Theatre premises. Income is accounted for on an accruals basis.

Donations and Voluntary Income.

Grants and donations are received from a variety of private sources, are accounted for gross when receivable, and are credited to the accounting period in which the donation or grant is received.

Gifts received in kind, where they are capable of financial measurement are included in the accounts at their estimated valuation.

**1.3 Resources expended**

All expenditure is accounted for as and when incurred.

Direct Charitable expenditure includes the direct costs of carrying out the activities of the charity's objectives.

**1.4 Tangible fixed assets and depreciation**

The only fixed asset is the Freehold Property known as the Grand Theatre. Major expenditure on the fabric of the building is dealt with through the Sinking Fund, a fund Designated by the Trustees. The building is subject to periodic revaluations.

Depreciation is provided for to comply with current accounting standard and FRS15 as detailed below.

All other assets (e.g. Equipment) are written off fully in the year of purchase as they have little, if any, residual value. However items of equipment which are essentially refurbishment expenditure are dealt with through the Income and Expenditure account, and the Balance Sheet Sinking Fund.

Freehold land is not depreciated

Freehold buildings

50 years straight line

**1.5 Stock**

Stocks are valued at the lower of cost or net realisable value.

**1.6 Renovation and Refurbishment**

In order to maintain the fabric of the Grand Theatre, Lancaster, substantial sums are required. The building is Grade II listed. There are also plans to construct a new foyer on the side of the Theatre to reduce congestion. Lancaster Footlights has previously established the Grand Golden appeal and the Grand Theatre appeal to raise the necessary funds, and these continue to attract donations. The balance of these funds as at 30 April 2012 stands at £125,898 (2011 - £106,004) which reflects the balance of monies held in the specific designated bank accounts.

## LANCASTER FOOTLIGHTS

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2012

## 2 Donations and Legacies

	Grand Theatre £	Theatre Appeals £	Total 2012 £	Total 2011 £
Legacy	-	-	-	-
Seat Sponsors and Donations	-	1,210	1,210	168
Covenants	-	6,315	6,315	9,099
Tax Refunds	-	3,419	3,419	2,877
	<u>-</u>	<u>10,943</u>	<u>10,943</u>	<u>12,144</u>

## 3 Incoming Resources from Charitable Activities

	Lancaster Footlights £	Grand Theatre £	Theatre Appeals £	Total 2012 £	Total 2011 £
Season Tickets	700	-	-	700	825
Tickets	72,754	-	-	72,754	63,899
Programme Sales	1,795	-	-	1,795	1,838
Lancaster Footlights Coffee Bar Income	1,250	-	-	1,250	1,191
Merchandising and Sundry Income	1,790	426	-	2,216	1,968
Members Subscriptions	2,571	-	-	2,571	2,568
Fund Raising Activities	-	-	9,195	9,195	9,318
Use of Theatre	-	82,269	-	82,269	78,926
Lancaster Footlights	-	24,000	-	24,000	23,000
Theatre Tours	-	312	-	312	340
Bar Receipts	-	26,760	-	26,760	32,176
Catering Receipts	-	20,347	-	20,347	20,897
Costume Hire	-	3,819	-	3,819	1,883
Equipment, Scenery and Props Hire	-	3,329	-	3,329	1,946
Car Park Income	-	1,210	-	1,210	1,270
Advertising Income	-	5,030	-	5,030	6,250
	<u>80,859</u>	<u>167,503</u>	<u>9,195</u>	<u>257,557</u>	<u>248,295</u>

## LANCASTER FOOTLIGHTS

## NOTES TO THE ACCOUNTS (CONTINUED)

## FOR THE YEAR ENDED 30 APRIL 2012

## 4 Investment Income

	Grand Theatre £	Theatre Appeals £	Total 2012 £	Total 2011 £
Interest Receivable	703	1,838	<b>2,541</b>	804

## 5 Total Resources Expended

	Lancaster Footlights £	Grand Theatre £	Theatre Appeals £	Total 2012 £	Total 2011 £
Costs of Activities in Furtherance of the Objects	48,832	197,303	2,082	<b>248,218</b>	198,788
Governance Costs	1,976	2,344	-	<b>4,320</b>	4,371
	<u>50,809</u>	<u>199,647</u>	<u>2,082</u>	<u><b>252,538</b></u>	<u>203,158</u>

## 6 Trustees

No Trustee or member of the Management Committees received any remuneration either directly or indirectly during the year.

No Trustee or Member of the Management Committees received any expenses during the year, except in relation to reimbursement of costs necessarily incurred in relation to the charity's activities.

## LANCASTER FOOTLIGHTS

## NOTES TO THE ACCOUNTS (CONTINUED)

## FOR THE YEAR ENDED 30 APRIL 2012

**7 Employees****Number of Employees**

The average monthly number of employees during the year was:

	<b>2012 Number</b>	2011 Number
Theatre Staff (including part time)	<u>11</u>	<u>10</u>

**Employment Costs**

	<b>2012 £</b>	2011 £
Wages and Salaries	<u>54,059</u>	<u>50,219</u>

There were no employees whose annual emoluments were £60,000 or more.

**8 Tangible Fixed Assets**

	<b>Land &amp; Buildings £</b>
<b>Valuation</b>	
At 1 May 2011 and at 30 April 2012	<u>265,000</u>
<b>Depreciation</b>	
At 1 May 2011	31,500
Charge for the Year	4,500
<b>At 30 April 2012</b>	<u>36,000</u>
<b>Net Book Value</b>	
At 30 April 2012	<u>229,000</u>
At 30 April 2011	<u>233,500</u>

The Grand Theatre was revalued on 13 October 2003 by Peill & Company, Chartered Surveyors. The valuation of £265,000 was based, at that time, on market value.

The Trustees are not aware of any material change since the valuation in 2003.

The original cost of the Grand Theatre was £7,000.

Depreciation relating to the Theatre is charged against the Revaluation Reserve.

## LANCASTER FOOTLIGHTS

## NOTES TO THE ACCOUNTS (CONTINUED)

## FOR THE YEAR ENDED 30 APRIL 2012

9 Debtors	2012 £	2011 £
Trade Debtors	500	2,500
Prepayments	7,170	6,908
	<u>7,670</u>	<u>9,408</u>

10 Creditors: Amounts Falling Due Within One Year	2012 £	2011 £
Trade Creditors	-	-
Taxes and Social Security Costs	789	749
Monies Received in Advance	290	860
Deferred Income	80,838	44,504
Accruals	3,433	4,255
	<u>85,350</u>	<u>50,368</u>

## 11 Designated Funds - Other Charitable Funds

	Balance at 1 May 2011	Incoming resources	Resources expended	Transfers	Balance at 30 April 2012
	£	£	£	£	£
Lancaster Footlights Fund	9,639	80,859	(50,809)	(17,500)	22,190
Grand Theatre General Fund	29,417	168,205	(199,647)	9,500	7,476
Grand Golden and Theatre Appeals	106,004	21,976	(2,082)	-	125,897
	<u>145,061</u>	<u>271,041</u>	<u>(252,538)</u>	<u>(8,000)</u>	<u>155,563</u>

**Theatre Revaluation Reserve**

This fund merely records the ongoing surpluses, or deficits, on the periodic revaluation of the Grand Theatre. It cannot be utilised for any other purpose.

The Grand Theatre was purchased for £7,000 on 8 January 1951. The asset value of the Theatre had reduced, by depreciation, to £2,655 by 1981, after which time depreciation was charged. The revaluation in 1988 to £175,000 provided a revaluation Reserve balance of £172,345. The revaluation in 2004, from £172,000 to £265,000 added a further £93,000 to the Reserve, making a total Revaluation Reserve of £265,345. This reserve has been reduced by £36,000 to £229,345 due to depreciation charge in the current and previous years.

**Theatre Sinking Fund**

This fund has been established in order to provide a designated reserve for long term maintenance of the Theatre. A balance of £24,000 (2011 - £16,000) has been designated by the Trustees in the year against expected future costs.

## LANCASTER FOOTLIGHTS

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2012

## 12 Analysis of Net Assets Between Funds

	Other Charitable Funds £	Theatre Sinking Fund £	Theatre Revaluation Reserve £	Total £
Fund Balances at 30 April 2012 are Represented by:				
Tangible Fixed Assets	-	-	229,000	229,000
Current Assets	240,913	24,000	345	265,258
Creditors: Amounts Falling Due Within One Year	(85,350)	-	-	(85,350)
	<u>155,563</u>	<u>24,000</u>	<u>229,345</u>	<u>408,908</u>

## 13 Contingent Liabilities

There were no Contingent Liabilities as at 30 April 2012 or 30 April 2011.

## 14 Commitments Under Operating Leases

At 30 April 2012 the company had annual commitments under non-cancellable operating leases as follows:

	Land & Buildings	
	2012	2011
	£	£
Expiry date:		
Within one year	4,248	3,186
Between two and five years	3,186	-
	<u>3,186</u>	<u>-</u>

Lancaster Footlights has a rental commitment over a storage unit. The annual charge payable which includes rent, insurance and service charge on this unit is £4,248 (2011 £4,248). The licence has been re-negotiated to allow sub letting of the premises and accordingly, but at this time there is no-one sub letting the unit.

The current lease expires on 31st January 2014.

## 15 Capital Commitments

There were no Capital Commitments as at 30 April 2012 or 30 April 2011.

## 16 Taxation

As a charity, Lancaster Footlights is exempt from tax on income and gains falling with Section 505 of the Taxes Act 1988, or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

## LANCASTER FOOTLIGHTS

## DETAILED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2012

## Lancaster Footlights

	2012		2011	
	£	£	£	£
<b>Incoming Resources</b>				
<b>Incoming Resources from charitable activities</b>				
Season Tickets		700		825
Tickets		72,754		63,899
Programmes Sales		1,795		1,838
Lancaster Footlights Coffee Bar Income		1,250		1,191
Merchandising and Sundry Income		1,790		1,913
Members Subscriptions		2,571		2,568
		<u>80,859</u>		<u>72,235</u>
<b>Resources Expended</b>				
<b>Cost of Activities in Furtherance of the Charity's Objects</b>				
Notional Rent	24,000		23,000	
Postage and Stationery	307		423	
Production Expenses	17,765		12,926	
Production Publicity	3,178		3,205	
Rent of Unit	2,810		5,154	
Rent of Rehearsal Room	37		966	
Rented Unit Water Rates and Insurance	61		279	
PRS	676		424	
	<u>48,832</u>		<u>46,377</u>	
<b>Governance Costs</b>				
Accountancy and Payroll	900		875	
Sundry Expenses	276		528	
Credit Card Fees	800		749	
	<u>1,976</u>		<u>2,152</u>	
<b>Total Resources Expended</b>		<u>50,809</u>		<u>48,528</u>
<b>Net Incoming Resources for the Year</b>		<u>30,051</u>		<u>23,706</u>
<b>Balance Brought Forward at 1 May 2011</b>		<u>9,639</u>		<u>3,433</u>
<b>Transfer Between Funds - Grand Theatre</b>		<u>(17,500)</u>		<u>(17,500)</u>
<b>Balance Carried Forward at 30 April 2012</b>		<u>22,190</u>		<u>9,639</u>



## LANCASTER FOOTLIGHTS

## DETAILED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2012

## Grand Theatre

	2012		2011	
	£	£	£	£
<b>Incoming Resources</b>				
<b>Incoming Resources from Charitable Activities</b>				
Amateur Group Lets		20,700		21,880
Professional Lets		61,569		57,046
Car Park Income		1,210		1,270
Advertising Income		5,030		6,250
Lancaster Footlights Rent		24,000		23,000
Equipment, Scenery and Props Hire		3,329		1,946
Theatre Tours		312		340
Bar Receipts		26,760		32,176
Coffee Bar Receipts		20,347		20,897
Costume Hire		3,819		1,883
Miscellaneous Income		426		55
		<u>167,503</u>		<u>166,743</u>
Investment Income		703		277
<b>Total Incoming Resources</b>		<b>168,205</b>		<b>167,020</b>
<b>Resources Expended</b>				
<b>Cost of Activities in Furtherance of the Objects</b>				
Box Office Salaries	10,127		9,979	
Theatre Manager Salary	22,467		21,050	
Security Salary	4,935		5,995	
Technician Salary and Contractor's Cost	9,220		7,504	
General Duties Assistant	4,908		3,500	
Cleaner Salary	2,401		3,132	
Water and Sewerage Charges	3,247		1,608	
Insurance	4,737		5,363	
Heat and Light	7,743		4,355	
Repairs and Maintenance	10,501		10,502	
Postage, Stationery and Office Costs	5,557		4,581	
Computing Costs	2,665		5,963	
Equipment Purchased	10,150		2,344	
Bar Purchases	15,767		17,464	
Coffee Bar Purchases	12,643		12,321	
Cleaning	4,044		3,412	
Training	-		24	
Fees, Licences and PRS	407		3,154	
Advertising	20,709		17,729	
Tickets	1,377		1,586	
Infrequent Repairs and Improvements	36,731		2,411	
Car Park Rent	3,432		3,372	
Telephone	2,074		1,905	
Credit Card Fees	(395)		49	
Costume Expenses	-		720	
Subscriptions	173		169	
Sundry & Miscellaneous Expenses	1,682		286	
		<u>197,303</u>		<u>150,477</u>

## LANCASTER FOOTLIGHTS

## DETAILED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2012

	2012		2011	
	£	£	£	£
<b>Governance Costs</b>				
Accountancy Charges	1,840		1,751	
Payroll Charges	504		468	
	<u>2,344</u>		<u>2,219</u>	
<b>Total Resources Expended</b>		<u>199,647</u>		<u>152,696</u>
<b>Net Incoming Resources for the Year</b>		(31,442)		14,324
<b>Balance Brought Forward at 1 May 2011</b>		29,417		5,593
<b>Transfer Between Funds - Lancaster Footlights</b>		17,500		17,500
<b>Transfer to Balance Sheet Sinking Fund</b>		(8,000)		(8,000)
		<u>7,475</u>		<u>29,417</u>

## LANCASTER FOOTLIGHTS

## DETAILED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2012

**Golden Appeal**

	2012 £	2011 £
<b>Incoming Resources</b>		
<b>Donations and Legacies</b>		
Golden Appeal Covenants	-	2,104
Golden Appeal Tax Refund	3,419	2,877
Donations	-	-
	<u>3,419</u>	<u>4,981</u>
<b>Incoming Resources from Charitable Activities</b>	-	-
	<u>3,419</u>	<u>4,981</u>
<b>Net Incoming Resources for the Year</b>	3,419	4,981
<b>Balance Brought Forward at 1 May 2011</b>	45,617	40,636
<b>Balance Carried Forward at 30 April 2012</b>	<u>49,036</u>	<u>45,617</u>

**Grand Theatre Appeal**

<b>Incoming Resources</b>		
<b>Donations and Legacies</b>		
Appeal Covenants	6,315	6,995
Fundraising	9,195	9,318
Donations	1,210	168
	<u>16,720</u>	<u>16,481</u>
<b>Investment Income</b>	1,838	527
	<u>18,557</u>	<u>17,007</u>
<b>Resources Expended</b>		
Fundraising Expenses	2,082	1,934
<b>Net Incoming Resources for the Year</b>	16,475	15,073
<b>Balance Brought Forward at 1 May 2011</b>	60,387	45,314
<b>Balance Carried Forward at 30 April 2012</b>	<u>76,862</u>	<u>60,387</u>
<b>Total Appeals Balance Carried Forward at 30 April 2012</b>	<u>125,898</u>	<u>106,004</u>

**LANCASTER FOOTLIGHTS  
TRUSTEES' REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 30 APRIL 2013**

**LANCASTER FOOTLIGHTS**

**LEGAL AND ADMINISTRATIVE INFORMATION**

<b>Trustees approving the accounts</b>	Mike Hardy June Akrigg David Slater James Smith Dorothy Walker Sim Lane-Dixon Donna Truman Carl Hayhurst Jenny Dunkeld Greg Robertson Jan Leckey Hilary Begley David Helm	Chairman Secretary Finance Director
<b>Theatre manager</b>	Elaine Singleton	
<b>Secretary</b>	June Akrigg	
<b>Charity Number</b>	509425	
<b>Independent examiner</b>	Charles R Willett of Taylor, Robertson & Willett Limited, Chartered Certified Accountants, 95 King Street Lancaster, Lancashire. LA1 1RH	
<b>Bankers</b>	Yorkshire Bank plc 45 Penny Street Lancaster Lancashire LA1 1UE	
	COIF Charities Deposit Fund St Alphage House Fore Street London	

**LANCASTER FOOTLIGHTS**

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<b>Statement of financial activities</b>	<b>8</b>
<b>Balance sheet</b>	<b>9</b>
<b>Notes to the accounts</b>	<b>10 – 15</b>
<b>Detailed trading and income and expenditure accounts</b>	<b>16 – 19</b>

## **Trustees Report for the year ended 30 April 2013**

The trustees present their report and accounts for the year ended 30 April 2013.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's constitution, applicable law and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in March 2005.

### **Organisation**

#### **Constitution**

Footlights is governed by its constitution which was revised at an EGM in June 2012. Changes to the constitution require approval of a majority of the members present at an Annual General Meeting or an Extraordinary General meeting. In the event of dissolution of Footlights, the property and assets would be disposed of by the Custodian Trustees to the benefit of any educational, literary or artistic institution in the City of Lancaster or its neighbourhood with the approval of the Charity Commissioners provided that such an institution is charitable. The proceeds of disposal would not be paid or distributed to members in any way.

#### **Appointment of Trustees**

The Board (the Trustees) are appointed for a year and their appointment is undertaken annually at the September AGM. Members wishing to seek election or wishing to nominate others can put their names forward for consideration. There is no limit on existing members' service. Ballots are required if there are more nominees than places available. No external body has any power of election of Trustees.

#### **Induction and training of Trustees**

Trustees are briefed on their legal obligations under charity law, the decision-making processes of the Board, the business plan and recent financial performance of the charity.

#### **Organisational Structure and Decision Making**

The Board administers the charity. It meets up to eight times a year and has several sub committees and persons reporting to it. These are:

Production Committee (responsible for selecting and recommending Footlights production titles)

Theatre Buildings Management Committee

Coffee Bars Manager

Costume Management and Hire Manager

Footlights costume co-ordination manager

Membership Manager

Footlights Treasurer

Ad hoc committees can also be formed for specific short-term requirements. Decisions of "last resort", including the financial area and the carrying out of higher supervisory tasks, are made by the Board. The Theatre Manager manages the day-to-day operations of the charity. To facilitate effective operations, the Theatre Manager has delegated authority, within the terms approved by the Board for operational matters including finance, employment and some artistic performance related activities.

#### **Risk management**

The Board has a risk management strategy comprising:

1. An annual review of the risks the charity may face
2. The establishment of systems and procedures to mitigate those risks identified
3. The implementation of procedures and policies designed to minimise any potential impact on the charity should those risks materialise

This assessment has in the past resulted operational improvements including revised emergency procedures, enhanced pre-performance safety checks, improvements to the fire detection system and production of generic risk assessments. Financial risks to the trust are managed by limiting delegations, controls on spending and the policy of maintaining adequate reserves.

#### **Objects and Activities**

The objects of Footlights are to:

1. Promote, maintain, improve, and advance education, particularly by the production of educational plays and the encouragement of the Arts, including the arts of drama, dramatic authorship, mime, dancing, singing, and music

2. Maintain and preserve the Grade II listed building built in 1782 known as the Lancaster Grand Theatre as an ongoing venue for such plays and encouragement of these objects

Footlights mission is to provide a venue for community theatre and thus contribute to the quality of life of the people of Lancaster and its surrounding areas by expanding their horizons through the provision of exciting, challenging and accessible professional and community arts events.

The strategies employed to achieve the charity's objects are to:

1. Offer opportunities for a broad range of people to get involved in arts activity exploring their own creative powers,
2. Provide facilities for amateur (and professional) artists to develop,
3. Concentrate on involving young people in the arts to help encourage a culture in which different age ranges play a complementary part,
4. Present a broad range of arts work.
5. Generate sufficient income to maintain the Lancaster Grand Theatre.

#### **Communications to members**

A monthly members' newsletter (Footnote) keeps members informed of Footlights activities and Board meeting decisions. Informal meetings of members take place on Saturday Mornings in the theatre foyer. Total membership fell slightly to 250 (271 in 2011/12) with 33 Friends of the Grand (people who help at the theatre but are not members).

#### **Productions by other Amateur Groups**

Four local Musical Societies hired the theatre for a week each and produced a variety of musical shows. One of the local dancing schools hired the theatre for dancing shows involving their pupils. The theatre again hosted another very successful local talent show in conjunction with a local newspaper and Nationwide Building Society. The Grand Rock Out was repeated following its success over the past years as a showcase for local rock bands. Lunchbox Theatre put on The Runaway Apprentice UK Tour.

#### **Productions by Professional Companies**

Various professional companies hired the theatre for 66 nights in total. The productions varied in their nature and appeal including ballet, tribute bands, musical shows, and several nationally known comedians. Some of the many visiting acts were Gervaise Phinn, Rich Hall, Jenny Éclair, Julian Clary, Pam Ayres, Al Murray, Sean Locke and John Bishop. Specific childrens' related shows included Jimmy Cricket, The Snail and the Whale, The Gruffalo's Child, Hairy Maclary and The Chuckle Brothers. The wide range of acts programmed is designed to attract different audience types to the theatre with the aim of enticing them into becoming regular theatre-goers.

#### **Other uses of the Theatre**

The theatre was hired on several occasions during the night by paranormal societies who set up their equipment to look for the reputed ghost within the theatre.

ITV hired the theatre for three weeks to film the Christmas production of "Panto" starring John Bishop. Many Footlights members were involved either as theatre cast members or as extras in the audience scenes.

#### **Contribution of Volunteers**

Footlights members and Friends of the Grand volunteered their time to support Footlights plays and all other performances. They also gave their time towards maintenance and improvement of the theatre building and providing the additional service of costume hire.

#### **Staff**

In addition to a full time Theatre Manager, the theatre continues to employ the following on a part time basis: two duty managers, four box office assistants, a handyman, a cleaner and a technician.



**PERFORMANCE INFORMATION****Audience Figures**

The total audience numbers covering productions increased by just over 2000 to 37,697. Footlights average capacity fell slightly, balanced by a similar small increase in the average capacity of professional lets. Internet bookings increased for the professional lets with internet bookings falling for both Footlights and Community performances as some local customers are now checking the web site for seat availability and then booking over the telephone to avoid the internet charge. (This covers Paypal costs, credit card charge and booking system internet hosting charges).

Organisation	Performances 2012/13	Performances 2011/12	Seats sold 2012/13	Seats sold 2011/12
Footlights	43	38	9,746	9,814
Musical Societies and Community Groups	36	41	10,427	11,311
Professional acts	66	56	17,524	14,250
<b>Total</b>	<b>145</b>	<b>135</b>	<b>37,697</b>	<b>35,375</b>

Organisation	Internet bookings 2012/13	Internet bookings 2011/12
Footlights	14%	32%
Musical Societies and Community Groups	19%	27%
Professional acts	42%	40%

Average capacities were as follows:

	2012/13	2011/12
Footlights	54%	56
Musical Societies and Community groups	63%	60
Professional lets	58%	55

**Production of plays**

During the financial year, Footlights presented the following productions in the main theatre:

Calendar Girls	Tim Firth
Dick Whittington Pantomime	Tom Walker
When we are Married	J B Priestley
History Boys	Alan Bennett

In addition, "Act One Summer School" was again run for a week in August culminating in a very well received performance of Joseph and the Amazing Technicolour Dreamcoat

**Studio Footlights**

Studio Footlights was set up as an additional string to the Footlights bow to complement the mainstream Footlights productions at the Grand. It offers Footlights members the opportunity to put on plays that are better suited to the informal, intimate setting of a studio theatre whilst retaining the high quality support already established at the Grand Theatre. The first production was The Pillowman by Martin Mc Donagh, presented at the Gregson Community Centre last year. This year's Production moved to the Storey Institute in Lancaster with the performance of "Iron" by Rona Munro which was very successful and played to full houses.

## FINANCIAL PERFORMANCE

### Overall Trading results

Following last year's underlying trading surplus of £24K, this year produced a significantly lower underlying surplus of £7K after expenditure of £34K on infrequent repairs, improvements and equipment and the "once off" income of the theatre of the ITV hire of £9K have been taken into account. This reduction in operating surplus was due to a significant increase in costs of £25K made up as follows:

• increased salaries	£11K
• increased advertising costs	£11K
• increased Lune store rental cost	£1.5K
• increased heating and lighting cost	<u>£1.5K</u>
	£25K

### Income

Whilst Footlights total income was £9.5K up on the previous year, when the once off income of £9K from ITV renting the theatre to produce John Bishop's "Panto", is taken into account, the underlying income was virtually the same as the previous year. In the current climate, it is considered that this represents a good result when compared to the problems being encountered by many other theatres. Next year, support business income will fall by £8K due to changes in the bar management arrangements (see the section on Support Businesses).

### Infrequent Repairs and Improvements and Equipment

Last year's surplus was used by transfer of funds from the balance sheet to upgrade the stage lighting and the sound systems and for building improvement as listed below:

1. LED stage lighting	£9070
2. Modification of electrics	£2397
3. Retiling of the foyer toilet floors	£4271
4. Upgrading of Dressing room 4 and under the stage toilet	£1481
5. Modification of Dressing room 4 electrics and installation of five new hand driers in the main theatre toilets	£1981
6. Upgrade of the fire doors on Dressing room 5 and the main electricity incomer room (Fire Brigade Safety inspection advice)	£1014
7. Provision of new stage monitor speakers	£4194
8. Purchase of a spare a lighting desk as a strategic spare	£4013
9. Replacement of all flying ropes	£1177
10. Upgrade of the theatre computer system to improve reliability and meet Credit Card compliance requirements	<u>£4279</u>
	£33877

### Support Businesses - bar, coffee bars and costume hire

The support businesses produced a net income of £20K (£2K down on last year). It was made up as follows:

Bar	£9.4K (2012: £10.9K)
Coffee bars	£7K (2012: £7.7K)
Costume Hire	<u>£3.8K</u> (2012: £3.8K)
	£20.2K

Bar profits were down slightly on the previous year attributable mainly to the changes surrounding the retirement of the volunteer bar managers in January. In the absence of any volunteers willing to take over, the management of the bar was handed over to a third party on a profit share basis resulting in a predicted reduction in bar income next year of £8K.

Coffee bar profit was slightly down on the previous year with Costume Hire profit staying the same at £3.8K as regular Saturday morning openings continued.

**Advertising Costs**

A total of £31.6K (£20.7K in 2011/12) was spent on advertising and marketing. The advertising costs were made up as follows:

	2011/12	2012/13
Newspaper advertising	£6590	
Bay radio		£11037
Production and distribution of two "What's on" brochures*	£8807	£9439
External Posters	£2830	£2900
Miscellaneous	<u>£2482</u>	<u>£8265</u>
	£20709	£31642

\* Brochure costs comprised £4325 printing and £5114 distribution.

As part of the drive to reinforce the "branding" of the Grand Theatre, it was decided that advertising on Bay Radio would replace newspaper advertising. The advertising on Bay Radio has produced a small increase in audience numbers and definitely increased the theatre profile, but the increase in sales does not cover the additional cost and it has been decided not to renew the contract when it expires in December 2013. For the future, it is considered that the public awareness of the theatre and its profile should allow reduced marketing expenditure, relying mainly on the theatre web site and the brochure supported by some directed marketing.

**Reserves Policy**

To cover emergencies and single year operational shortfalls, Footlights policy is to hold a minimum operational reserve of £20K. At the end of the financial year the operating reserve was £36K, which will reduce slightly following limited expenditure on infrequent repairs and operational improvements 2013/14.

**Asset cover for funds**

Note 12 sets out an analysis of the assets attributable to the various funds and a description of the trusts. These assets are sufficient to meet the charity's obligations on a fund-by-fund basis.

**FUND RAISING****a) Donations and legacies**

There were no legacies and any donations were put towards the new spaces appeal.

**b) New Spaces Appeal**

Fund raising has continued and the total raised by 30<sup>th</sup> April 2013 stood at £143K (£125.9K 2011/12). Fund raising continues towards the required £850K required to build the foyer.

**TRUSTEES****Charity Trustees**

The Board Members are the Trustees. Their names at the time of approval of the accounts are listed under legal and administrative information.

**Custodian Trustees**

Their function within the Constitution is to hold in trust the Grand Theatre buildings on behalf of Footlights. They are:

David Bateman	-	Retired Teacher
David Hardy	-	Solicitor
Mike Hardy	-	Retired Director
Sim Lane Dixon	-	Highways manager

**Planned work for 2013/14**

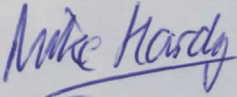
1. Relocation of the sound and lighting desks from the circle to the rear of the stalls.
2. Replacement of the onto stage loading doors

**Next Year's Priorities**

This year has seen income remaining static and costs rising significantly, with the possibility of a loss next year due to reduced bar income if costs are not reduced. Consequently there are five key actions for next year:

1. Reduce costs in the following areas:
  - marketing,
  - office and administration costs
  - maintenance
  - electricity use
2. Continue to raise the funds £850K required to build the new foyer.
3. Continue to expand the use of the theatre by community groups and look for increased day use by organisations.
4. Build on the success of the Studio Footlights to improve the range of productions available both to Footlights actors and to the general public.
5. Continue the drive to attract new, younger members to ensure continuity in the long term.

Signed by the Chairman on behalf of the Trustees



Mike Hardy

Dated 16<sup>th</sup> July 2013

**LANCASTER FOOTLIGHTS**  
**INDEPENDENT EXAMINER'S REPORT**  
**TO THE TRUSTEES OF LANCASTER FOOTLIGHTS**

I report on the accounts of Lancaster Footlights for the year ended 30 April 2013, which are set out on pages 8 to 19.

**Respective responsibilities of trustees and examiner**

As the charity's trustees, you are responsible for the preparation of the accounts; you consider that the audit requirement of section 43(2) of the Charities Act 1993 (the Act) does not apply. It is my responsibility to state, on the basis of procedures specified in the General Directions given by the Charity Commissioners under section 43(7)(b) of the Act, whether particular matters have come to my attention.

**Basis of independent examiner's report**

My examination was carried out in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanation from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

**Independent examiner's statement**

In connection with my examination, no matter has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
  - (i) to keep accounting records in accordance with section 41 of the Act; and
  - (ii) to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the Act;have not been met; or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Charles R Willett of  
Taylor, Robertson & Willett Limited  
Chartered Certified Accountants  
95 King Street  
Lancaster  
Lancashire  
LA1 1RH

1<sup>st</sup> August 2013

**LANCASTER FOOTLIGHTS**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 30 APRIL 2013**

	Notes	Lancaster Footlights £	Grand Theatre £	Appeals & Legacy £	Total 2013 £	Total 2012 £
<b>Incoming Resources from Generated Funds</b>						
Donations, Legacies and Grants	2	-	-	6,649	6,649	10,943
Investment Income	4	-	1,135	3,273	4,407	2,541
		-	1,135	9,922	11,057	13,484
Incoming Resources from Charitable Activities	3	81,991	174,892	6,280	263,164	257,557
<b>Total Incoming Resources</b>		<b>81,991</b>	<b>176,027</b>	<b>16,202</b>	<b>274,221</b>	<b>271,041</b>
<b>Resources Expended</b>						
Cost of Activities in Furtherance of the Objects		55,190	215,842	2,000	273,031	248,218
Governance Costs		2,108	3,538	-	5,646	4,320
<b>Total Resources Expended</b>		<b>57,298</b>	<b>219,380</b>	<b>2,000</b>	<b>278,677</b>	<b>252,538</b>
<b>Net Incoming Resources/(Deficit) Before Transfers</b>		<b>24,694</b>	<b>(43,353)</b>	<b>14,202</b>	<b>(4,457)</b>	18,503
Transfer to Balance Sheet Sinking Fund		-	-	-	-	(8,000)
<b>Net Income for the Year/Net Incoming Resources</b>		<b>24,694</b>	<b>(43,353)</b>	<b>14,202</b>	<b>(4,457)</b>	10,503
Transfer between funds		(29,301)	37,700	(399)	8,000	-
Fund Balance at 1 May 2012		22,189	7,476	125,898	155,563	145,060
<b>Fund balances at 30 April 2013</b>		<b>17,582</b>	<b>1,823</b>	<b>139,701</b>	<b>159,106</b>	155,563

## LANCASTER FOOTLIGHTS

## BALANCE SHEET

AS AT 30 APRIL 2013

	Notes	2013		2012	
		£	£	£	£
<b>Fixed Assets</b>					
Tangible Assets	8		224,500		229,000
<b>Current Assets</b>					
Stocks		795		1,960	
Debtors	9	7,502		7,670	
Cash at Bank and in Hand		233,755		255,628	
		<u>242,052</u>		<u>265,258</u>	
<b>Creditors: Amounts Falling Due Within One Year</b>	10	<u>(66,601)</u>		<u>(85,350)</u>	
			175,451		179,908
			<u>399,951</u>		<u>408,908</u>
<b>Income Funds</b>					
Unrestricted Funds:					
Revaluation Reserve	11	224,845		229,345	
Sinking Fund	11	16,000		24,000	
Designated Funds - Other Charitable Funds:					
Lancaster Footlights	11	17,582		22,190	
Grand Theatre General Fund	11	1,823		7,476	
Grand Golden and Theatre Appeals	11	139,701		125,897	
		<u>399,951</u>		<u>408,908</u>	

The Accounts were approved by the Trustees on 16th July 2013

Mike Hardy  
(Chairman)

**LANCASTER FOOTLIGHTS**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 30 APRIL 2013**

**1 Accounting policies**

**1.1 Basis of preparation**

The accounts have been prepared under the historical cost convention.  
The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and the Charities Act 1993.

**1.2 Incoming resources**

Activities Income.  
Activities income consists of ticket sales, letting, and all other similar income associated with the running of an amateur dramatic organisation and its associated Theatre premises. Income is accounted for on an accruals basis.  
Donations and Voluntary Income.  
Grants and donations are received from a variety of private sources, are accounted for gross when receivable, and are credited to the accounting period in which the donation or grant is received.  
Gifts received in kind, where they are capable of financial measurement are included in the accounts at their estimated valuation.

**1.3 Resources expended**

All expenditure is accounted for as and when incurred.  
Direct Charitable expenditure includes the direct costs of carrying out the activities of the charity's objectives.

**1.4 Tangible fixed assets and depreciation**

The only fixed asset is the Freehold Property known as the Grand Theatre. Major expenditure on the fabric of the building is dealt with through the Sinking Fund, a fund Designated by the Trustees. The building is subject to periodic revaluations.  
Depreciation is provided for to comply with current accounting standard and FRS15 as detailed below.  
All other assets (e.g. Equipment) are written off fully in the year of purchase as they have little, if any, residual value. However items of equipment which are essentially refurbishment expenditure are dealt with through the Income and Expenditure account, and the Balance Sheet Sinking Fund.

Freehold land is not depreciated	
Freehold buildings	50 years straight line

**1.5 Stock**

Stocks are valued at the lower of cost or net realisable value.

**1.6 Renovation and Refurbishment**

In order to maintain the fabric of the Grand Theatre, Lancaster, substantial sums are required. The building is Grade II listed. There are also plans to construct a new foyer on the side of the Theatre to reduce congestion. Lancaster Footlights has previously established the Grand Golden appeal and the Grand Theatre appeal to raise the necessary funds, and these continue to attract donations. The balance of these funds as at 30 April 2013 stands at £139,701 (2012 - £125,898) which reflects the balance of monies held in the specific designated bank accounts.



## LANCASTER FOOTLIGHTS

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2013

## 2 Donations and Legacies

	Grand Theatre £	Theatre Appeals £	Total 2013 £	Total 2012 £
Legacy	-	-	-	-
Seat Sponsors and Donations	-	-	-	1,210
Covenants	-	6,649	<b>6,649</b>	6,315
Tax Refunds	-	-	-	3,419
	<u>-</u>	<u>6,649</u>	<u><b>6,649</b></u>	<u>10,944</u>

## 3 Incoming Resources from Charitable Activities

	Lancaster Footlights £	Grand Theatre £	Theatre Appeals £	Total 2013 £	Total 2012 £
Season Tickets	728	-	-	<b>728</b>	700
Tickets	74,243	-	-	<b>74,243</b>	72,754
Programme Sales	1,781	-	-	<b>1,781</b>	1,795
Lancaster Footlights Coffee Bar Income	1,103	-	-	<b>1,103</b>	1,250
Merchandising and Sundry Income	1,998	527	-	<b>2,525</b>	2,216
Members Subscriptions	2,138	-	-	<b>2,138</b>	2,571
Fund Raising Activities	-	-	6,280	<b>6,280</b>	9,195
John Bishop's Show - Net	-	8,958	-	<b>8,958</b>	-
Use of Theatre	-	81,023	-	<b>81,023</b>	82,269
Lancaster Footlights	-	24,000	-	<b>24,000</b>	24,000
Theatre Tours	-	515	-	<b>515</b>	312
Bar Receipts	-	23,635	-	<b>23,635</b>	26,760
Catering Receipts	-	20,814	-	<b>20,814</b>	20,347
Costume Hire	-	3,974	-	<b>3,974</b>	3,819
Equipment, Scenery and Props Hire	-	6,522	-	<b>6,522</b>	3,329
Car Park Income	-	950	-	<b>950</b>	1,210
Advertising Income	-	3,975	-	<b>3,975</b>	5,030
	<u>81,991</u>	<u>174,892</u>	<u>6,280</u>	<u><b>263,164</b></u>	<u>257,557</u>

## LANCASTER FOOTLIGHTS

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2013

**4 Investment Income**

	Grand Theatre £	Theatre Appeals £	<b>Total 2013 £</b>	Total 2012 £
Interest Receivable	1,135	3,273	<b>4,407</b>	2,541

**5 Total Resources Expended**

	Lancaster Footlights £	Grand Theatre £	Theatre Appeals £	<b>Total 2013 £</b>	Total 2012 £
Costs of Activities in Furtherance of the Objects	55,190	215,842	2,000	<b>273,031</b>	248,218
Governance Costs	2,108	3,538	-	<b>5,646</b>	4,320
	<b>57,298</b>	<b>219,380</b>	<b>2,000</b>	<b>278,677</b>	<b>252,538</b>

**6 Trustees**

No Trustee or member of the Management Committees apart from Mr D Slater in his capacity of Treasurer received any remuneration either directly or indirectly during the year.

No Trustee or Member of the Management Committees received any expenses during the year, except in relation to reimbursement of costs necessarily incurred in relation to the charity's activities.

## LANCASTER FOOTLIGHTS

## NOTES TO THE ACCOUNTS (CONTINUED)

## FOR THE YEAR ENDED 30 APRIL 2013

**7 Employees****Number of Employees**

The average monthly number of employees during the year was:

	<b>2013 Number</b>	2012 Number
Theatre Staff (including part time)	<u>12</u>	<u>11</u>

**Employment Costs**

	<b>2013 £</b>	2012 £
Wages and Salaries	<u>66,308</u>	<u>54,059</u>

There were no employees whose annual emoluments were £60,000 or more.

**8 Tangible Fixed Assets**

	<b>Land &amp; Buildings £</b>
<b>Valuation</b>	
<b>At 1 May 2012 and at 30 April 2013</b>	<u>265,000</u>
<b>Depreciation</b>	
At 1 May 2012	36,000
Charge for the Year	4,500
<b>At 30 April 2012</b>	<u>40,500</u>
<b>Net Book Value</b>	
At 30 April 2013	<u>224,500</u>
At 30 April 2011	<u>229,000</u>

The Grand Theatre was revalued on 13 October 2003 by Peill & Company, Chartered Surveyors. The valuation of £265,000 was based, at that time, on market value.

The Trustees are not aware of any material change since the valuation in 2003.

The original cost of the Grand Theatre was £7,000.

Depreciation relating to the Theatre is charged against the Revaluation Reserve.

## LANCASTER FOOTLIGHTS

## NOTES TO THE ACCOUNTS (CONTINUED)

## FOR THE YEAR ENDED 30 APRIL 2013

<b>9 Debtors</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Trade Debtors	-	500
Prepayments	<b>7,502</b>	7,170
	<b><u>7,502</u></b>	<b><u>7,670</u></b>

<b>10 Creditors: Amounts Falling Due Within One Year</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Trade Creditors	<b>5,081</b>	-
Taxes and Social Security Costs	<b>1,277</b>	789
Monies Received in Advance	<b>350</b>	290
Deferred Income	<b>56,723</b>	80,838
Accruals	<b>3,170</b>	3,433
	<b><u>66,601</u></b>	<b><u>85,350</u></b>

**11 Designated Funds - Other Charitable Funds**

	<b>Balance at 1 May 2012</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Transfers</b>	<b>Balance at 30 April 2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Lancaster Footlights Fund	22,190	81,991	(57,298)	(29,301)	<b>17,582</b>
Grand Theatre General Fund	7,476	176,027	(219,380)	37,700	<b>1,823</b>
Grand Golden and Theatre Appeals	125,898	16,202	(2,000)	(399)	<b>139,701</b>
	<b><u>155,564</u></b>	<b><u>274,221</u></b>	<b><u>(278,677)</u></b>	<b><u>8,000</u></b>	<b><u>159,106</u></b>

**Theatre Revaluation Reserve**

This fund merely records the ongoing surpluses, or deficits, on the periodic revaluation of the Grand Theatre. It cannot be utilised for any other purpose.

The Grand Theatre was purchased for £7,000 on 8 January 1951. The asset value of the Theatre had reduced, by depreciation, to £2,655 by 1981, after which time depreciation was charged. The revaluation in 1988 to £175,000 provided a revaluation Reserve balance of £172,345. The revaluation in 2003, from £172,000 to £265,000 added a further £93,000 to the Reserve, making a total Revaluation Reserve of £265,345. This reserve has been reduced by £36,000 to £224,845 due to depreciation charge in the current and previous years.

**Theatre Sinking Fund**

This fund has been established in order to provide a designated reserve for long term maintenance of the Theatre. A balance of £16,000 (2012 - £24,000) has been designated by the Trustees in the year against expected future costs.

## LANCASTER FOOTLIGHTS

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2013

## 12 Analysis of Net Assets Between Funds

	Other Charitable Funds £	Theatre Sinking Fund £	Theatre Revaluation Reserve £	Total £
Fund Balances at 30 April 2013 are Represented by:				
Tangible Fixed Assets	-	-	224,500	<b>224,500</b>
Current Assets	225,707	16,000	345	<b>242,052</b>
Creditors: Amounts Falling Due Within One Year	(66,601)	-	-	<b>(66,601)</b>
	<u>159,106</u>	<u>16,000</u>	<u>224,845</u>	<u><b>399,951</b></u>

## 13 Contingent Liabilities

There were no Contingent Liabilities as at 30 April 2013 or 30 April 2012.

## 14 Commitments Under Operating Leases

At 30 April 2013 the company had annual commitments under non-cancellable operating leases as follows:

	Land & Buildings	
	2013	2012
	£	£
Expiry date:		
Within one year	<b>3,186</b>	4,248
Between two and five years	-	3,186
	<u>3,186</u>	<u>3,186</u>

Lancaster Footlights has a rental commitment over a storage unit. The annual charge payable which includes rent, insurance and service charge on this unit is £4,248 (2012 £4,248). The licence has been re-negotiated to allow sub letting of the premises and accordingly, but at this time there is no-one sub letting the unit. The current lease expires on 31st January 2014.

## 15 Capital Commitments

There were no Capital Commitments as at 30 April 2013 or 30 April 2012.

## 16 Taxation

As a charity, Lancaster Footlights is exempt from tax on income and gains falling with Section 505 of the Taxes Act 1988, or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

## LANCASTER FOOTLIGHTS

## DETAILED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2013

## Lancaster Footlights

	2013		2012	
	£	£	£	£
<b>Incoming Resources</b>				
<b>Incoming Resources from charitable activities</b>				
Season Tickets		728		700
Tickets		74,243		72,754
Programmes Sales		1,781		1,795
Lancaster Footlights Coffee Bar Income		1,103		1,250
Merchandising and Sundry Income		1,998		1,790
Members Subscriptions		2,138		2,571
		<u>81,991</u>		<u>80,860</u>
<b>Resources Expended</b>				
<b>Cost of Activities in Furtherance of the Charity's Objects</b>				
Notional Rent	24,000		24,000	
Postage and Stationery	701		307	
Production Expenses	22,640		17,765	
Production Publicity	2,395		3,178	
Rent of Unit	4,375		2,810	
Rent of Rehearsal Room	105		37	
Rented Unit Water Rates and Insurance	386		61	
PRS	587		676	
	<u>55,190</u>		<u>48,834</u>	
<b>Governance Costs</b>				
Accountancy	950		900	
Sundry Expenses	608		276	
Credit Card Fees	550		800	
	<u>2,108</u>		<u>1,976</u>	
<b>Total Resources Expended</b>		<u>57,298</u>		<u>50,810</u>
<b>Net Incoming Resources for the Year</b>		24,694		30,050
<b>Balance Brought Forward at 1 May 2012</b>		22,189		9,639
<b>Transfer Between Funds - Grand Theatre</b>		(29,301)		(17,500)
<b>Balance Carried Forward at 30 April 2013</b>		<u>17,582</u>		<u>22,189</u>

## LANCASTER FOOTLIGHTS

## DETAILED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2013

**Grand Theatre**

	2013		2012	
	£	£	£	£
<b>Incoming Resources</b>				
<b>Incoming Resources from Charitable Activities</b>				
Musical Society and Community Group Lets		29,587		20,700
Professional Lets		51,436		61,569
John Bishop's Show - Net income		8,958		-
Car Park Income		950		1,210
Advertising Income		3,975		5,030
Lancaster Footlights Rent		24,000		24,000
Equipment, Scenery and Props Hire		6,522		3,329
Theatre Tours		515		312
Bar Receipts		23,635		26,760
Coffee Bar Receipts		20,814		20,347
Costume Hire		3,974		3,819
Miscellaneous Income		527		426
		<u>174,892</u>		<u>167,502</u>
Investment Income		1,135		703
<b>Total Incoming Resources</b>		<b>176,027</b>		<b>168,205</b>
<b>Resources Expended</b>				
<b>Cost of Activities in Furtherance of the Objects</b>				
Box Office Salaries	10,820		10,127	
Theatre Manager Salary	30,827		22,467	
Security Salary	5,644		4,935	
Technician Costs	11,446		9,220	
General Duties Assistant	3,708		4,908	
Cleaner Salary	2,863		2,401	
Water and Sewerage Charges	1,415		3,247	
Insurance	4,645		4,737	
Heat and Light	9,297		7,743	
Repairs and Maintenance	13,818		10,501	
Postage, Stationery and Office Costs	10,765		5,557	
Computing Costs	4,277		2,665	
Equipment Purchased	10,392		10,150	
Bar Purchases	15,303		15,767	
Coffee Bar Purchases	13,790		12,643	
Cleaning	4,054		4,044	
Training	774		-	
Fees, Licences and PRS	2,084		407	
Advertising	31,642		20,709	
Tickets	1,020		1,377	
Infrequent Repairs and Improvements	22,403		36,731	
Car Park Rent	3,142		3,432	
Telephone	2,047		2,074	
Credit Card Fees	(921)		(395)	
Costume Expenses	154		-	
Subscriptions	181		173	
Sundry & Miscellaneous Expenses	251		882	
		<u>215,842</u>		<u>196,502</u>

## LANCASTER FOOTLIGHTS

## DETAILED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2013

	2013		2012	
	£	£	£	£
<b>Governance Costs</b>				
Accountancy Charges	2,010		1,840	
Treasurer's honorarium	1,000		800	
Payroll Charges	528		504	
	<u>3,538</u>		<u>3,144</u>	
<b>Total Resources Expended</b>		<u>219,380</u>		<u>199,646</u>
<b>Net Incoming Resources for the Year</b>		(43,353)		(31,442)
<b>Balance Brought Forward at 1 May 2012</b>		7,475		29,417
<b>Transfer Between Funds - Lancaster Footlights</b>		29,700		17,500
<b>Transfer from/(to) Balance Sheet Sinking Fund</b>		8,000		(8,000)
		<u>1,822</u>		<u>7,475</u>



## LANCASTER FOOTLIGHTS

## DETAILED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2013

**Golden Appeal**

	2013 £	2012 £
<b>Incoming Resources</b>		
<b>Donations and Legacies</b>		
Golden Appeal Covenants	-	-
Golden Appeal Tax Refund	-	3,419
Donations	-	-
	<hr/>	<hr/>
	-	3,419
<b>Incoming Resources from Charitable Activities</b>	-	-
	<hr/>	<hr/>
	-	3,419
<b>Net Incoming Resources for the Year</b>	-	3,419
<b>Balance Brought Forward at 1 May 2012</b>	49,036	45,617
<b>Balance Carried Forward at 30 April 2013</b>	<hr/> <u>49,036</u>	<hr/> <u>49,036</u>

**Grand Theatre Appeal**

<b>Incoming Resources</b>		
<b>Donations and Legacies</b>		
Appeal Covenants	6,649	6,314
Fundraising	6,280	9,195
Donations		1,210
	<hr/>	<hr/>
	12,929	16,719
<b>Investment Income</b>	3,273	1,838
	<hr/>	<hr/>
	16,202	18,557
<b>Resources Expended</b>		
Fundraising Expenses	2,000	2,082
<b>Net Incoming Resources for the Year</b>	<hr/> 14,202	<hr/> 16,475
<b>Balance Brought Forward at 1 May 2012</b>	76,862	60,387
<b>Transfer Between Funds</b>	(399)	-
<b>Balance Carried Forward at 30 April 2013</b>	<hr/> <u>90,665</u>	<hr/> <u>76,862</u>
<b>Total Appeals Balance Carried Forward at 30 April 2013</b>	<hr/> <u>139,701</u>	<hr/> <u>125,898</u>

*The Future of Arts Provision in Lancaster: Development of the Dukes and Ludus Dance*

**APPENDICES**

- A. Lancaster Competitive Provision
- B. Consultees
- C. Terms of Reference

**November 2013**

**Bonnar Keenlyside**

APPENDIX A: Lancaster Competitive Provision

Location	Venue / organisation	Facilities	Capacity	Price	Programme	Drive Time from Lancaster
<b>DANCE</b>						
<i>Dance Schools</i>						
Lancaster	Ludus Dance	Assembly Rooms in Lancaster. Rentable studio and 2D Gallery		£3.50 - £6.25. Flashmob and Ludicrous Street Crew £60 per term	Street dance, ballet, stage dance, contemporary. Classes for 0-4, 5-11, 12-17 and 18+	
Carnforth, Milnthorpe and Kendal	Jennifer's Dancers	Dallam Dance Studio has sprung floors, ballet barres, full length mirrors and a music system		£3.50 - £4.50 Dallam Dance Studio hire fee £18 p/h	Street dance, hip hop, pop, breakdance, popping and locking and tutting 16 classes Monday - Friday with Saturday availability for hire for parties Dancers available for hire for children's birthday parties / choreograph and teach a first wedding dance	Up to 22.7 miles, 33 minute drive time
Bolton-le-Sands	Alysia Gilda School of Dance	Classes held in Catholic Hall		£4.50 average price per class	Aerobic, ballet, tap, jazz, stage dance, Irish dance, ballroom, boys only, adult keep fit and tap, wedding first dance, yoga, pilates and zumba, 60+	5 miles, 13 minute drive time
Morecambe	The Dance Factory	Purpose built dance studio with stereo system, twin tiered ballet barres, mirrors and changing room Instructs to the International Dance Teachers' Association (IDTA) dance syllabus			Ballet, cheerleading, street, jazz, freestyle/disco, gymnastics, tap, musical theatre and tiny tots Produces a show performance every two years	4.8 miles, 16 minute drive time
Hornby, Caton and Morecambe	JB School of Dance	Classes held 3 evenings a week at 3 locations			Ballet, tap, hip hop, street, funky, jazz, musical theatre, zumba	Up to 9.2 miles, 19 minute drive time
Lancaster, Blackburn and Preston	Heather Burns Dance School	Lancaster classes held in Trinity Community Centre		£55 per 10 week term	Performance shows every two years Lancaster: Ballet, modern, tap, new musical theatre	Up to 25.3 miles, 31 minute drive time
Milnthorpe	Rigney Bank Ballet School, Milnthorpe	Two dance studios, reception area and basement changing area. Held in a 17th century tower house		Private lessons available on a Saturday. Fees agreed individually	Shows and performances happen periodically	
Morecambe	Robinson Read School, Morecambe				Ballet, modern, tap, acrobatics, jazz, limbering, voice coaching, examinations. Adult classes in tap, ballet and dance fitness Ballet, tap, jazz, modern and acrobatics. Coaching and technical private lessons available	14.5 miles, 24 minute drive time 4.8 miles, 16 minute drive time
Carnforth	Taylor School of Dance & Theatre Arts, Carnforth	Two dance studios with central heating, dressing room and shop. ISTD registered		From £3.50. Weekly fee pack - £30 for unlimited classes	Ballet, modern, tap, drama, musical theatre, adult jazz, street, cabaret, acrobatics	6.9 miles, 18 minute drive time
Lancaster	Turning Point Theatre Arts	Located in Lancaster Leisure Park in Studio 2 and gym/treatment room		From £3.50 with free taster sessions Private tuition and multi-class discounts available	Ballet, modern, jazz, tap, pop, freestyle, street, circus skills, acrobatics, boys only, toddler and tone, burlesque, zumba, fitness, gym ball, drama, voice production, singing, guitar, keyboard, music theory Offer dance-based birthday parties	

## The Future of Arts Provision in Lancaster: The Development of the Dukes and Ludus Dance: Appendices

Location	Venue / organisation	Facilities	Capacity	Price	Programme	Drive Time from Lancaster
Lancaster	Lancaster University Ballet Society Lancaster University Ballroom Dancing Society Lubells, Lancaster University Belly Dancing Society Lancaster Roses Cheerleading Squad Ludans, Lancaster University Dance Society Hiphop N Breakdance, Lancaster University Lancaster University Pole Dance Fitness Society Lancaster University Swing Dance Society	Classes held at LUCA with a professional teacher Classes held in County South Lecture Theatre Classes held in County South Lecture Theatre Classes held in County South Lecture Theatre and The Sugarhouse Classes held in Barker House Farm (Cartmel College) and Playroom in the Great Hall Complex, university Classes held in the Playroom in the Great Hall Complex, university campus Classes held in the Great Hall, university campus		£5 membership fee, £4 per class. Fitness / flexibility classes £1.50 £5 membership fee, £3 for a two hour class £5 membership fee, £3 per class Participation through try-outs £10 membership fee, £1 per class £5 membership fee	Ballet, fitness and flexibility for beginners - advanced Ballroom, Latin American and salsa Arabic and Egyptian belly dancing Cheerleading in an all girl squad, co-ed squad or dance squad Ballet, jazz, tap, contemporary, fitness and street Hip hop, street, breakdance, stunts, krumping, popping and locking Pole fitness Swing dancing Free lindy hop classes once a week and free dance socials at	
Lancaster	The Dukes	Shared screen	330 seats in rake	Adult £6, conc. £4 - £5	Blockbusters, documentary cinema, Performance screenings - NT Encore, art house and independent	
Morecambe	The VUE	6 screens. Available to hire for conferences with catering, parking, satellite and digital projector	1574 seats	Peak £6.25 - £8.30 / Off-peak £5.30 - £7.05 Promotional offer - Kids AM, Family savings, Orange Wednesday, Seniors, Super Tuesdays Adults £7.20, conc. £5.35 - £6.10, 3D Adults £9.35, conc. £6.95 - £7.85 Adults £3, purple card holder £2, under 16 £1.50, under 7 free, 5 film pass £8	Blockbusters, family entertainment, Performance screenings - NT Live, The Met Opera & The Royal Opera House Live, Concert Films, Autism friendly films, first releases, 3D	4.8 miles, 16 minute drive time
Lancaster	Lancaster University	1 screen with projector and 3D capabilities, refreshment kiosk			Blockbusters, Performance screenings - The Royal Opera House, RSC, The Best of Keane, family entertainment, first releases, 3D Blockbusters, recent releases, classics, documentary	
Kendal	The Brewery Arts Centre	2 screens (theatre that doubles as a third cinema screen for half the year)	550 seats	Adults £7, conc. £5 - £6	Films are shown Thurs - Mon during term time Blockbusters, family entertainment, world, arthouse and independent, 3D, first releases and classic film screenings	22.7 miles, 33 minute drive time

The Future of Arts Provision in Lancaster: The Development of the Dukes and Ludus Dance: Appendices

Location	Venue / organisation	Facilities	Capacity	Price	Programme	Drive Time from Lancaster
Lancaster	The Storey	Purpose-designed centre for the creative industries Office space available for rent The Auditorium has projector, screen, sound system and theatrical lighting available for hire. Sound and lighting technician available at additional fee Music Room , Reading Room and Drawing room has laptop, projector and screen available for hire Lecture Theatre has projector, screen, laptop and sound system available for hire	The Auditorium - 80 seats Music Room - 120 seats Lecture Theatre - 75 seats The Reading Room - 30 seats	The Gallery - hire £250 Auditorium hire from £35 p/h Music hire from £25 p/h Lecture Theatre hire from £20 p/h The Reading Room hire from £20 p/h The Drawing Room hire from £10 p/h	Literary performances, workshops and art exhibitions Current exhibitions and art events include 'The Beauty in Science', evening talks from Lancaster University and 'Saturday Life-drawing Participants of Lancaster Music Festival, Lancaster Literature Festival and OXIAM Dance, theatre, exhibitions, music, public performances by students, societies and communities Dance mid-Oct - July 2014: 2 shows, 2 performances (Canadian-born choreographer Laila Diallo and a double bill from Company Theatre mid Oct - July 2014: 6 shows, 11 performances (Tim Crouch's 'I, Malvolio' and Zoo Indigo's double bill of 'Blueprint' and Music mid Oct - July 2014: 12 shows, 12 performances with a focus on classical and jazz	
Lancaster	Live at LICA (Lancaster institution for Contemporary Arts)	The Nuffield Theatre, Lancaster International Concert Series and the Peter Scott Gallery at Lancaster University are joined to create LICA Black-box theatre	Nuffield Theatre 220 seats		Dance, theatre, exhibitions, music, public performances by students, societies and communities Dance mid-Oct - July 2014: 2 shows, 2 performances (Canadian-born choreographer Laila Diallo and a double bill from Company Theatre mid Oct - July 2014: 6 shows, 11 performances (Tim Crouch's 'I, Malvolio' and Zoo Indigo's double bill of 'Blueprint' and Music mid Oct - July 2014: 12 shows, 12 performances with a focus on classical and jazz	
Kendal	The Brewery Arts Centre	Raked theatre, cinema, exhibition space, café/bar Sugar Store is main exhibition space but exhibitions also held in The Warehouse, Into Bar and Grizedale Forest The Malt Room is a flexible venue available for hire 1 shared cinema screen and 2 dedicated screens	Theatre - 260 seats The Malt Room 175 - 330 seats Cinema - 550 seats	Exhibitions are free Cinema £5 - £7	Theatre, music, cinema, dance, exhibitions	22.7 miles, 33 minute drive time
Within 30 minute drive time						
Out with 30 minute drive time						

## APPENDIX B: Consultees

The Dukes and Ludus: Participants November 2013			
Organisation	Role	Name	Interviewed
<i>Key stakeholders</i>			
Lancashire County Council	Arts Development Officer	Heather Fox	✓
Lancashire County Council	Arts and Regeneration Officer	Paul Kelly	✓
Lancaster City Council	Communications Manager	Gill Haigh	✓
Lancaster City Council	Arts Development Officer	Richard Hammond	✓
Curious Minds	CEO	Derri Burdon	✓
ACE	Relationship Manager, Dance	Desiree Cherrington	✓
ACE	Relationship Manager, Engagement and Audiences	Anna Hassan	✓
ACE	Relationship Manager, Learning	Claire Eddleston-Rose	✓
Lancashire Sport	CEO	Adrian Leather	✓
<i>Voluntary sector organisations</i>			
CEEP (Connect, Engage, Empower, Participate)	Director	Steven Naylor	✓
<i>Stakeholders / competitors</i>			
Live at LICA	Creative Producer	Alice Booth	✓
<i>Competitors</i>			
Jennifer's Dancers	Dance instructor	Jennifer Mayor	✓
Heather Burns School of Dance	Dance instructor	Heather Burns	✓

## APPENDIX C: Terms of Reference

### Task

- i. Understand the context and organisations
  - Review Ludus' current situation
  - Review finance, data and plans
  - Review current premises
  - Meet with Ludus team to understand current strengths and weaknesses; ambitions and business needs
  - Review Storey facilities, activities and plans
  - Meet with LCC to understand current strengths and weaknesses, ambitions and needs
  - Review competitive provision
  - Assess supply and demand for proposed and current activities
  - Desk research and consultation with 10 key stakeholders/providers
  - Analyse overall situation
  - Workshop with Dukes, Ludus and LCC to consider this and to set objectives for the development

ii. Model Options

Describe each option in terms of:

- Activity;
- Audiences;
- Profit and Loss;
- Capital development;
- Risk assessment;
- Research into comparators for each model
- Workshop to review options and to evaluate against objectives

iii. Business Case

- Develop option(s) and produce business case



*The Future of Arts Provision in Lancaster: Development of  
the Dukes and Ludus Dance*  
**REPORT**

November 2013

**Bonnar Keenlyside**

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8. Project Development	24

Appendices (as separate document)

A. Lancaster Competitive Provision

B. Consultees

C. BK Terms of Reference

## 1. Summary

- 1.1. The Dukes Lancaster sits within a wider site which has been designated for commercial development in the context of a wider regeneration project. The Canal Corridor North development will widen the retail and leisure offer of Lancaster and will extend the city centre.
- 1.2. At minimum, the development offers an opportunity for the Dukes to ameliorate its rather tired facilities. At best, it offers Lancaster an opportunity to improve its overall arts and cultural offer for current and new audiences, to rationalise its cultural planning and provision, and to support the increased resilience of its nationally recognised performing arts organisations.
- 1.3. Supported by Lancaster City Council (LCC), which not only has a strategic leadership role in Lancaster's development and success but also significant stakes in both the current cultural provision and future planning. The Dukes engaged with Bonnar Keenlyside (BK) <sup>1</sup>to consider future options for development including those which might include Ludus Dance (Ludus). Ludus had expressed an interest in occupying part of the development.
- 1.4. An initial appraisal in September 2013 recommended that: any development for the Dukes be considered in the context of the wider strategic and market demands; a business case should consider the needs of current and future audiences and also increase the resilience through the generation of additional income; and that the opportunity to involve Ludus should also be explored in some depth.
- 1.5. In October BK undertook an appraisal of Ludus and considered the other supply of arts activities and facilities in Lancaster. This supply was considered in the context of demand and gaps and opportunities identified. A workshop involving LCC, Dukes, Ludus and architects Levitt Bernstein (LB) considered BK's analysis of the market and of Dukes and Ludus.

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<sup>1</sup> Appendix C Terms of Reference

<sup>2</sup> ~~The current programme, which ends in December 2013, prioritises existing buildings and those projects~~

- 1.6. The Dukes occupies a strong market position with regard to theatre, independent cinema and creative learning. There is a clear opportunity to increase attendances for independent cinema and live streaming should it establish dedicated screens. Increased footfall from cinema and the promotion of a wider cultural offer more attractive to a wider audience offer potential for a more resilient economy. The Dukes' partnership with Lancaster University, its creative learning programme and its increased fundraising activities are strengths on which it can build. It needs to develop its business model as its current financial position is not sustainable.
- 1.7. Ludus is in the process of adjustment to a major cut in funding and the loss of its touring company and is developing a new business model focussing on dance for children and young people and in delivering commissioned work for health & well being agencies and other public and voluntary sector partners. Its current programme of dance classes is underperforming due to its very poor facilities. It needs to move and to clarify its focus for future sustainability.
- 1.8. There is a clear gap in the Lancaster market for quality dance studios. Dance teachers are interested in hiring such a space, there is a strong demand from agencies such as Lancashire Sport for facilities and activities which will engage young people. This may also attract capital funding.
- 1.9. Both Dukes and Ludus have identified mutual benefits in joining forces through this development. Both have a common strength and focus on young people. Working together, they could create a city, county and North West centre for excellence in creative learning and participation. Both have structural financial deficits which could be addressed by new facilities, shared activities, skills and services.

### Objectives

- 1.10. As a result of the workshop, the partners agreed a set of high level objectives for future development of arts provision in Lancaster:
- improve Lancaster's cultural provision to meet the future needs of its residents and visitors
  - increase the resilience of the City's arts organisations
  - grow strength and reputation in engaging young people and supporting progression.
- 1.11. The specific objectives for the project is to create a facility which will:
- provide a wider cinema offer
  - provide more for children, young people and families
  - improve facilities for dance
  - balance cultural planning for the city
  - achieve additional and more diverse income for Dukes
  - provide consolidation and focus for Ludus
  - improve facilities for creative learning for theatre and dance.

### Options

- 1.12. A number of high level, strategic options have been identified with the potential to deliver the objectives.
- Option 1: Optimum Option: Dukes and Ludus in a creative hub
- 1.13. This option proposes that the Canal Corridor accommodates the needs of both the Dukes and Ludus by extending Dukes facilities to include two screens and providing a new home for Ludus with a dedicated studio and additional studio space for dance. This will improve public and earning facilities which will result in a higher impact and increased sustainability.

- 1.14. It will create a destination creative centre which will offer quality experiences for children, young people, families, existing and new residents and tourists. It will be a national centre for excellence in creative learning. The sharing of facilities will improve the resilience of Dukes and Ludus.

Option 2: Dukes maximum solo development and Ludus relocates to Storey

- 1.15. This option proposes that the Canal Corridor accommodates the needs of the Dukes by extending their facilities to include two screens. Ludus would be housed in The Storey which would provide a new home for Ludus with a dedicated studio and additional studio space for dance. This would lead to increased sustainability for the Dukes. The implications for the Storey would need to be determined after further investigation.

Option 3: Refurbish Dukes within current footprint with developments housed within the Storey

- 1.16. This option proposes that the Canal Corridor development includes refurbishment and improvement of the Dukes existing facilities with regard to the public areas. The Storey would accommodate Ludus and programme the cinema. This would provide increased focus and sustainability for LCC operated facilities as well as improving Ludus' offer. The Storey would be repositioned as a creative hub. This threatens the sustainability of the Dukes. It does not achieve a balanced cultural plan for Lancaster.

Option 4: De Minimis

- 1.17. This option proposes that the Dukes and Ludus remain in their existing buildings with little or no improvements made to the facilities. This option risks further erosion of the organisations and has the potential for Lancaster to lose its position as a county leader.
- 1.18. The option which clearly offers the highest benefit is one which involves a collaborative approach to development. This would see the Dukes and Ludus sharing facilities as part of the Canal Corridor development. There are other fallback options which would involve less development on the Canal Corridor for the Dukes and other parts of the needed new provision being housed within LCC's Storey Gallery.

- 1.19. These options now need to be developed and evaluated. A key element of the achievability of this project is the support of partners in addition to the core of Dukes, Ludus and LCC. These include Lancashire County Council and Arts Council of England (ACE) and all should be engaged in the development of the options. All have expressed support for the broad concept expressed in the core option. ACE's capital programme is particularly important. The last date for making applications for large capital funding in this round is expected to be in Autumn 2014. BK has suggested the tasks and timetable required to achieve a good application for this round.
- 1.20. This includes:
- firstly, further development of the proposed joint offer for creative learning
  - architectural work to determine the design and capital costs of the options
  - identification of likely funding.

## 2. The Dukes

- 2.1. The Dukes and Ludus are key arts organisation in Lancaster with both city and county wide remits. They are both part of a national portfolio of arts organisations recognised by ACE. Both occupy buildings owned by LCC and both have a priority to engage people, particularly young people, in performing arts; theatre in the case of the Dukes and dance in the case of Ludus. They are both members of the Lancashire Arts Partnership which also includes LICA.
- 2.2. Both are valued by Lancashire County Council and ACE as well as LCC and both enjoy support from a core loyal audience/community. Both have ambitions for growth and development. Both are limited by their current business models and current premises.
- 2.3. The Dukes is an arts centre, theatre and cinema and a creative learning hub. It produces its own theatre productions including an annual show in Williamson Park and presents work by visiting companies.it runs a bar and catering operation and undertakes other income generating activity through its workshop services.
- 2.4. The events at the venue itself have increased over the last 3 years and are now around 800 annually of which the majority are screenings. The Dukes attracted 132k attendances at events in 2012/13, including free events and offsite activities and visits to the art exhibitions. In terms of ticketed events at the venue, the Dukes attracts around 65k visits. It has a loyal core audience.
- 2.5. The Dukes Cinema is one of the UK's network of arts centres cinema. It currently achieves an average of 35,000 attendances for the cinema programme, which includes independent, world and family cinema. This is without a dedicated screen. The cinema programme is constrained by the lack of screening facilities and is unable either to develop its programme further or to meet the demand for live streaming, 3D and first releases.
- 2.6. Its facilities comprise two auditoria, the Rake (capacity 313 used for performances and screenings) and the Round (capacity 250 used for performances) and the nearby DT3, used for participatory work. The facilities are a bit tired and worn.



- 2.7. The current business model is within an economy around £1.5m, 2/3rds of which it earns and 1/3<sup>rd</sup> of which is public subsidy. During the last few years it has operated at a deficit depleting its reserves and it has not invested in new developments. Taking into account its lack of investment in developments and improvements, it has a structural deficit of around £70k pa and a deficit on its balance sheet, showing unrestricted reserves of -£33k.
- 2.8. Its current business model and economy is summarised here. In 2012/13 there were some extraordinary elements, most notable the lack of the Park show. The 'base year' has been modelled to describe a year in which business is as usual:

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<b>DUKES</b>	<b>2012/2013</b>	<b>Base Year</b>
no of performances/screenings	810	792
no of attendances	65357	62125
Off-site		
no of off site performances	29	38
off-site attendances	0	14473
no of young people led theatre performances	13	13
no of audiences for young people led theatre pe	1236	1236
Creative Learning participants	31048	18,000
<b>Income</b>	<b>£'000s</b>	<b>£'000s</b>
Box Office and fees	457	643
Creative Learning	135	135
Bar and Catering	123	123
Other earned income	53	55
Non-recurrent grants and sponsorship	61	61
Core subsidy	576	576
<b>Total Income</b>	<b>1405</b>	<b>1593</b>
<b>Expenditure</b>		
Direct cost of programme	366	563
Creative Learning	118	118
Bar and Catering	54	54
Direct cost of other earned income	22	22
Costs of non-recurrent activity	3	3
Sales, Marketing and Development	91	91
Salaries	584	569
Overheads	207	207
<b>Total Expenditure</b>	<b>1444</b>	<b>1627</b>

### 3. Ludus Dance

- 3.1. Ludus is a dance agency, supported by ACE to support the development of dance, dancers and encourage participation in dance. Its role and remit has changed recently, with a major review of its governance and management and the loss of 70% of its ACE funding associated with its touring dance company. It is in transition after this extensive change with a new focus on developing partnerships and delivering commissions and also for supporting progression routes for dance from children through to young professionals. It is strongly supported by ACE in this.
- 3.2. Its current activity encompasses several programmes and projects throughout Lancashire. Within its premises in Lancaster it offers a programme of community dance classes including specialist dance classes aimed at, for example, lads and mature people. The attendance at these classes is largely in decline, with many of them unviable.
- 3.3. A major factor in the weak performance of the classes is the very poor facilities at Ludus. There is only one dance studio which needs to serve not only community classes but also dance development work. The studio itself is reasonable if underequipped but the dearth of showers, changing facilities and public areas are a barrier to success. The poor visibility of Ludus, the lack of a ground floor public entrance and the general scruffiness of the facilities are severely detrimental to the success of Ludus. A dance agency should have a good atmosphere, a creative vibe which attracts young people and others of all types, it should be quite cool while accessible. And it should essentially have changing rooms, showers and a place for people to socialise.
- 3.4. Its economy has shrunk to a projected base year level of £244k, achieved through cutting overhead expenditure. The studio dance programme runs at a loss.
- 3.5. A base year model has been produced and is illustrated here, alongside the budget for 2013/14:

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LUDUS	2013/14	base year
<b>Activity</b>		
<b>Community Class Programmes</b>		
studio hours per year		660
number of classes per week		18
total attendance		5500
<b>Dance Development Programme</b>		
studio hours	654	600
<b>Income</b>	<b>£</b>	<b>£</b>
Community Classes Income	20,000	20,000
Dance Development Income	64,079	64,579
New Income Stream		12,204
Core subsidy	148,580	148,580
Non-recurrent grants and c/f reserves	104,653	0
Misc	300	300
<b>Total Income</b>	<b>337,612</b>	<b>245,663</b>
<b>Expenditure</b>		
community classes	24,079	24,079
dance development programme	127,793	57,265
marketing	5,797	5,797
staff	113,619	110,331
building overheads	34,739	28,563
admin overheads	21,206	18,590
<b>Total Expenditure</b>	<b>327,232</b>	<b>244,625</b>

- 3.6. Ludus is planning its next phase of development and in doing so wishes to take advantage of opportunities for diversifying income generation through the delivery of dance projects and programmes to strategic commissioning bodies. It plans an increased focus on young people as part of defining its role in the context of other dance agencies in the North West.

- 3.7. There are other providers of community dance classes in Lancaster and other studios but none of quality in the city centre. Dance teachers identified the gap in the market for quality dance studios and also expressed an interest in hiring such studios for their own classes. This model, where Ludus would restrict delivery of classes to those with a particular strategic purpose (e.g. integrated dance), and hire out its studios to dance teachers to deliver community classes, is one which works in other dance agencies, most notably Yorkshire Dance.
- 3.8. The need for dedicated dance studios was also identified in BK's consultation with stakeholders including Lancashire Sport who indicated that potentially they might attract investment from Sport England for such a facility, were it able to support a dedicated youth programme.

## 4. Strategic Context

4.1. The Dukes and Ludus can be viewed in a national arts and cultural context as well as in the context of Lancaster and Lancashire.

### Arts

4.2. The arts in the UK enjoy substantial investment from the public purse, through local government and the Arts Council of England (ACE). In addition, there are many trusts and funds which support arts activity. ACE goals are:

- Talent and artistic excellence are thriving and celebrated
- More people experience and are inspired by the arts
- The arts are sustainable, resilient and innovative
- The arts leadership and workforce are diverse and highly skilled
- Every child and young person has the opportunity to experience the richness of the arts

4.3. These goals also govern the consideration for capital funding. ACE distributes the Arts Lottery and has a clear process for application for both small (up to £.5m) and large capital grants.<sup>2</sup>

4.4. The recent contraction of public expenditure has resulted in a significant reduction in the amount of funds ACE has available to invest in the arts. It is therefore keen to prioritise support to arts organisations which clearly deliver its goals as well as making a clear contribution to its art form strategies and additionally making a specific and differentiated contribution to the regional ecology.

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<sup>2</sup> The current programme, which ends in December 2013, prioritises existing buildings and those projects which create more resilient organisations and states that any organisation who is not a National Portfolio Organisations would need written permission from its area office before applying – and would need to demonstrate achieving Great Art for Everyone.

- 4.5. In the case of Lancaster, Dukes and Ludus, key elements essential to retaining and strengthening the support of ACE are:
- Goal 1: Talent and artistic excellence are thriving and celebrated
    - Increased focus and vigour of both Dukes and Ludus in supporting artistic talent and presenting it in a quality environment
  - Goal 2: More people experience and are inspired by the arts
    - The business case for the optimum development will involve more people not only in experiencing professional art but also in participating in art
  - Goal 3: The arts are sustainable, resilient and innovative
    - Organisational resilience for Dukes and Ludus should be significantly strengthened through this project
  - Goal 4: The arts leadership and workforce are diverse and highly skilled
    - Ludus currently provides CPD for dance artists and there is potential for the Dukes and Ludus to extend the provision of skills and training
  - Goal 5: Every child and young person has the opportunity to experience the richness of the arts
    - The Dukes' work in creative learning is viewed by ACE as outstanding; Ludus' increased focus on young people and talent development is viewed positively by ACE in the context of its regional dance portfolio; there is strong support for the creation of a creative learning offer involving both theatre and dance; Lancaster can be a regional and possibly a national leader in this area through this project.

#### Lancaster City Council

- 4.6. LCC has multiple interests in the Dukes and Ludus, strategically and in terms of its roles as current leaseholder and statutory planning authority. It faces financial challenges and has identified the need to address a projected deficit of £3.5m in 18 months. It is therefore keen to prioritise its expenditure on services in the most effective manner in the context of its overall strategic objectives.
- 4.7. Of particular relevance to this project are LCC's economic and cultural objectives. LCC aims to increase the number of residents, particularly through retaining graduates as well as attracting new residents to live in the city including young families.
- 4.8. Tourism is a key area for growth and as part of the strategy to attract more visitors. LCC is implementing its Cultural Heritage Strategy building upon Lancaster's rich cultural heritage as a medieval town with a Castle and Priory.

#### Arts Strategy

- 4.9. LCC is signatory to *2020 Vision: A Seven Year Framework for the Arts in Lancaster District*. This has been developed and endorsed by a wide partnership including Lancashire County Council and Lancaster University as well as other public agencies and all the arts organisations in Lancaster.
- 4.10. The framework states:

*By 2020, creativity and the arts will be a distinctive and outstanding component of the district's cultural heritage offer and economy. We will have built on an established and enviable reputation across Lancashire and around Morecambe Bay for leadership and innovation in the delivery of high quality access to arts and cultural events.*

*To achieve international recognition for Lancaster as a district where culture and the arts are at the heart of civic life. The district will have an exceptional reputation for art, dance, theatre, music and literature.*

*We want to see the City of Lancaster recognised as a beacon location for the arts where the concept of an "arts city" sits alongside a significant step change in the city's offer as a destination for visitors, as a place to learn and as a top quality place to live and work.*



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*We want to see our coastal town of Morecambe, occupying the spectacular setting on Morecambe Bay, develop into an arts and festival town.*

*We want to see young people staying in the district because of the unique and special features of the arts and cultural offer, whether they are born here or arrive as students.*

- 4.11. In the wider context of economic planning, LCC is encouraging the Canal Corridor development which will provide major retail facilities and will extend the city centre offer.
- 4.12. LCC also operates The Storey, a key element in the arts provision in Lancaster. The Storey is a major facility in central Lancaster that was recently developed to a substantial level. The business model includes workspaces and artist funded exhibitions, a tourist information centre and a restaurant /café. There are also a significant number of spaces currently vacant with potential for both a cinema and dance studios.

Lancashire County Council

- 4.13. The County Council is another key stakeholder in this project, supporting both Dukes and Ludus and keen that facilities are improved.

Lancaster University

- 4.14. The University is potentially a key partner, involved currently with the Dukes in a new cultural research project. LICA is under new directorship. Further discussions should take place as the project develops.

## 5. The Market

### Demand

- 5.1. Overall, demand for attending theatre performances is stable in the UK while the market for cinema is buoyant, with a 20% increase in cinema admissions from 2000 to 2012. In 2012, UK cinema attendances reached their highest level in 10 years, with national admissions of 172.5m and a 6% increase in sales on the previous year. Independent films also increased in market share.
- 5.2. The market for the arts in Lancaster can be estimated using industry data which is commissioned by ACE using Target Group Index data.<sup>3</sup>
- 5.3. A 30 minute drive time around Lancaster includes the towns of Kendal (South), Milnthorpe, Morecambe and Preston (North). The number of arts attenders within this catchment is estimated below:

Lancaster 30 minute drivetime	
	Attenders
plays	85,492
any performance in theatre	118,787
cinema	165,657
opera	22,888
ballet	25,205
contemporary dance	17,346
classical music	39,594
jazz	17,356
rock and pop	109,529
art galleries	73,835

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<sup>3</sup>Target Group Index data: ACE and CACI using figures for England 2012

5.4. This data can also be used to estimate:

- The potential annual **attendances** applying industry figures for the average number of attendances per attender;
- The estimated attenders and attendances for Lancaster within a 30 minute drive time:

Lancaster 30 minute drivetime		
	Attenders	Potential attendances
plays	85,492	170,984
any performance in theatre	118,787	237,574
cinema	165,657	828,285
opera	22,888	22,888
ballet	25,205	25,205
contemporary dance	17,346	17,346
classical music	39,594	79,188
jazz	17,356	17,356
rock and pop	109,529	219,058
art galleries	73,835	147,670

5.5. Participation in the arts in Lancaster can be estimated using the Taking Part data commissioned by the Arts Council England.<sup>4</sup>

5.6. The number of people participating in the arts in Lancaster is estimated below:

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<sup>4</sup>Taking Part data: ACE Taking Part 2011/12: Findings for the North West Region

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Participation	Lancaster	
<i>Population</i>	139,800	
Textile, crafts	16,776	12%
Painting, drawing, printmaking or sculpture	15,378	11%
Played a musical instrument for our own pleasure	13,980	10%
Photography used as an artistic activity	12,582	9%
Used a computer to create original artwork or animation	12,582	9%
Other dance	11,184	8%
Other crafts such as calligraphy, potter or jewellery making	5,592	4%
Wood crafts	5,592	4%
Sang to an audience or rehearsed for a performance	5,592	4%
Written any stories or plays	4,194	3%
Written any poetry	4,194	3%
Written music	4,194	3%
Made films or videos as an artistic activity	2,796	2%
Played a musical instrument to an audience or rehearsed for a performance	2,796	2%
Took part in a carnival	2,796	2%
Rehearsed or performed in play/drama	1,398	1%
Been a member of a book club	1,398	1%
Took part in street art		< 1%
Learned or practiced circus skills		< 1%
Rehearsed or performed in opera/operatta or musical theatre		< 1%
Ballet		< 1%
<i>Taking Part Data for North West 2012</i>		

#### Demand for a dance studio

- 5.7. There was support from other dance organisations and teachers in Lancaster for the development of a purpose built rentable dance studio. The lack of such a facility in the city centre means that many of the dance organisations in Lancaster hold their classes in facilities that are not purpose built for dance. These include community centres, town halls and schools.
- 5.8. There is potential for generating income from studio rental but dance teachers emphasised the importance of having an affordable space.

- 5.9. Whilst many of the children's classes in Lancaster are held at similar times to coincide with the schools timetable, there is potential to rent a studio at off-peak times for training, adult classes and summer schools.

#### Supply

- 5.10. Within the catchment there are several organisations offering significant cultural services to the residents and visitors of Lancaster. These include LICA, VUE, The Storey, The Lancaster Grand Theatre, several independent dance schools and More Music in Morecambe. The Brewery Arts Centre in Kendal is 23 miles away and there is a strong cultural offer beyond the 30 minute drive time from both Preston and The Grand Theatre in Blackpool. This is described in Appendix A: Lancaster Competitive Provision.
- 5.11. The main providers of cinema in addition to the Dukes is the VUE. The VUE is located in the city centre and has 6 screens with a capacity of 1574. It shows a wide range of films including blockbusters, first releases, family entertainment and is equipped to screen both 3D and live streaming. Lancaster University also has a cinema that shows a wide range of films including blockbusters and documentaries. Ticket prices are low and it can facilitate 3D film screenings.

#### Dance Schools

- 5.12. There are a number of independent dance schools in Lancaster, including Jennifer's Dancers, Heather Burns School of Dance and the Alysia Gilda School of Dance. They offer classes to children of all ages and adults in a broad range of dance styles including ballet, contemporary and street.
- 5.13. Lancaster University has a range of dance societies for students which hold weekly classes as well as competing in the Roses Competition against the University of York each year. Students can take classes in ballet, ballroom, belly dancing, cheerleading, street and swing dance.

#### Gap Analysis

- 5.14. There is a gap in supply of dance studios. There is room in the market for additional independent cinema. Further evidence of the potential for cinema can be drawn by comparing cinema provision in Lancaster with similar cities:

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CINEMA COMPARATORS	Lancaster	Warwick	Dundee	Exeter	Derby	Bath
population	139,800	137, 648	144, 290	117,800	248,752	176,000
arts centre	The Dukes	Warwick Arts Centre	DCA	Phoenix,	Derby Quad	Little Theatre
local multiplex	Vue	Vue	Odeon	Odeon and Picturehouse	Odeon	Odeon
number of screens local multiplex	6	6	10	11 (2 multiplexes)	10	8
capacity of multiplex	1,574	898	2,303	1,988	1,611	1,579
dedicated screen1	no	220	217	341	232	192
dedicated screen 2	o		70	132	125	72
shared screen	313					
total screening capacity	313	220	287	473	357	264
no of annual screenings	586	783		32	312	

- 5.15. Those arts centres with dedicated screens attract higher attendances than the Dukes can currently achieve. A dedicated screen of 120 could reasonably be expected to increase attendances:

	future	current					
	Lancaster	Lancaster	Kendal	Warwick	Dundee	Exeter	Derby
population	139,800	139,800	28,586	137, 648	144, 290	117,800	248,752
	The Dukes, VUE	The Dukes, VUE	The Brewery Arts Centre	Warwick Arts Centre, VUE	DCA, Odeon	Phoenix, VUE, Odeon, Picturehouse	Derby Quad, Odeon
number of screens local multiplex	6	6		6	10	11 (2 multiplexes)	10
capacity of multiplex	1,574	1,574		898	2,303	1,988	1,611
dedicated screen1	120		200	220	217	341	232
dedicated screen 2	40		90		70	132	125
shared screen	313	313	260				
total screening capacity	473	313	550	220	287	473	357
no of annual screenings	800	586		783		32	312
no of attendances	60,000	34,391	96,903	56,157	85,873	93,611	75,000
income from screening	270,000	117,479	472,096	226,975			380,050

## 6. Objectives

6.1. A successful development of the Dukes and Ludus will involve:

- Improving Lancaster's cultural provision to meet the future needs of its residents and visitors
- Increasing the resilience of the key arts organisations
- Growing the strength and reputation in engaging young people and supporting progression

6.2. The specific objectives for the project is to create a facility which will:

- provide a wider cinema offer
- provide more for children, young people and families
- improve facilities for dance
- balance cultural planning for the city
- achieve additional and more diverse income for Dukes
- provide consolidation and focus for Ludus
- improve facilities for creative learning

## 7. Options

- 7.1. A number of options have been developed, from minimum to optimal capital development building on strengths and dealing with its weaknesses. Each option is described below. A number of high level, strategic options have been identified with the potential to deliver the objectives.

Option 1: Optimum Option: Dukes and Ludus in a creative hub

- 7.2. This option proposes that the Canal Corridor accommodates the needs of both the Dukes and Ludus by extending Dukes facilities to include two screens and providing a new home for Ludus with a dedicated studio and additional studio space for dance. This will improve public and earning facilities which will result in a higher impact and increased sustainability. It will create a destination creative centre which will offer quality experiences for children, young people, families, existing and new residents and tourists. It will be a national centre for excellence in creative learning. The sharing of facilities will improve the resilience of Dukes and Ludus.

Option 2: Dukes maximum solo development and Ludus relocates to Storey

- 7.3. This option proposes that the Canal Corridor accommodates the needs of the Dukes by extending their facilities to include two screens. Ludus would be housed in The Storey which would provide a new home for Ludus with a dedicated studio and additional studio space for dance. The impact of this on Ludus needs to be further explored in terms of the spaces available and the financial and operational arrangement. Ludus has a concern that the ambience of The Storey would inhibit attendance by children and young people. For the Dukes, the business will be more sustainable.

Option 3: Refurbish Dukes within current footprint with developments housed within the Storey

- 7.4. This option proposes that the Canal Corridor development includes refurbishment and improvement of the Dukes existing facilities with regard to the public areas. The Storey would accommodate Ludus and programme the cinema. This would provide increased focus and sustainability for LCC operated facilities as well as improving Ludus' offer. The Storey would be repositioned as a creative hub. This threatens the sustainability of the Dukes. It does not achieve a balanced cultural plan for Lancaster.



De Minimis Option

- 7.5. This option proposes that the Dukes and Ludus remain in their existing buildings with little or no improvements made to the facilities. This option risks further erosion of the organisations and has the potential for Lancaster to lose its position as a county leader.
- 7.6. The option which clearly offers the highest benefit is one which involves a collaborative approach to development. This would see the Dukes and Ludus sharing facilities as part of the Canal Corridor development. There are other fallback options which would involve less development on the Canal Corridor for the Dukes and other parts of the needed new provision being housed within LCC's Storey Gallery.

## 8. Project Development

- 8.1. The Dukes has a capital development group of the board and this group is not only considering the capital application but is also considering fundraising for the development. In cognisance of this, fundraising has not been addressed by BK and the area is outside BK's current terms of reference.
- 8.2. We recommend that a Project Board is set up for this development which includes one or two of the leaders of Dukes and Ludus along with key individuals from LCC. This should maintain the overview of the project and champion it. A project management process should be designed and implemented with clear responsibilities for specific workstreams.
- 8.3. The key elements of the planning process for the next stage are outlined below with a suggested timetable and allocation of responsibilities. This is based on the assumptions that BK contains its input to within the three days remaining on the current contract, that Levitt Bernstein are commissioned to undertake necessary architectural work and that the Dukes' current arrangements for capital fundraising services are maintained and are sufficient for the needs of the project.
- 8.4. The workstreams are:

### Business Case

- Developing the joint creative learning offer. It is assumed that Dukes and Ludus will undertake this;
- On receipt of this, and other inputs from Ludus and Dukes, BK to produce the outline business model (1 day of BK time)
- BK to lead options appraisal following inputs from LB and Dukes Fundraising Team and produce output (2 days)

### Architectural Work

- Architectural work to determine the design and capital costs of the options (LB and their QS)

Fundraising

- Assess fundraising potential for preferred option, alternatives and subsequent strategy (Dukes and Ludus)
- Prepare ACE bid (Dukes and Ludus)

Project leadership

- Relationship development and management
- Project management (Dukes and Ludus)

8.5. It may be that Dukes and Ludus would benefit from additional support in the project development.

8.6. Below is a suggested timetable and allocation of responsibilities:

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					Dukes and Ludus Capital Development: next Steps											
					2013		2014									
					November	December	January	February	March	April	May	June	July	August	September	
Dukes	Ludus	LCC	BK	LB												
					<b>Business Case</b>											
					develop areas identified:											
x	x															
			x													
			x													
x	x															
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**REQUEST FROM DUKES AND GRAND THEATRES FOR GRANT SUPPORT****(Cabinet Member with Special Responsibility Councillor Hanson)**

Cabinet received a report from the Chief Officer (Regeneration & Planning) to consider requests from the Dukes and Grand theatres for additional funding support.

The options, options analysis, including risk assessment and officer preferred option, were set out in the report as follows:

	<b>Option 1:</b> That neither request be granted.	<b>Option 2:</b> To award grant funding in full to one or both theatres.	<b>Option 3:</b> To award one or both theatres grant funding in part (e.g. lower amount, or for shorter period).
Advantages	<p>No further draw on the Council's budget at a time of budgetary pressure.</p> <p>Reduces the likelihood of a future conflict of interest with the Canal Corridor redevelopment.</p> <p>May help maintain / encourage financial independence of the theatres, and/or encourage greater financial contribution from British Land.</p>	Supports the theatres at a time when they need to make provision for development proposals.	The draw on the Council's budget is less than the full cost.
Disadvantages	The theatres may not be able to advance their preparations for developing their offers alongside the Canal Corridor redevelopment.	Additional cost to the Council at a time of increasing budgetary pressure.	As per option 2, albeit a lesser amount.
Risks	Could be perceived as showing a lack of support for well-known cultural facilities in the area and the theatres might not support the council in its ambitions for the Canal Corridor redevelopment.	<p>May raise future expectations.</p> <p>Runs contra to aims for moving towards a commissioning approach.</p> <p>Could lead to other similar applications for grant aid, or perceived unfairness.</p>	<p>As per option 2.</p> <p>May fail to meet either theatre's objectives.</p>

Option 1 is the officer preferred option. Successful theatres benefit the district in a number

of ways and are a key element of the Canal Corridor scheme. The case for providing more financial support must be balanced against the potential for other similar operators to approach the council for support (given the current budgetary climate) and possible conflicts of interest in terms of the Canal Corridor scheme.

Councillor Hanson proposed, seconded by Councillor Sands:-

- “(1) That Cabinet recognises and supports the continued importance of The Dukes and The Grand as an essential part of the Arts provision in the district, with both theatres effectively being integral to any future redevelopment of the Canal Corridor North site. Accordingly, Cabinet agrees to the request from The Dukes for £12K as the money is required now to assist with the establishment of their business plan, with the additional £12K being allocated from the Performance Reward Grant Reserve.
- (2) That The Grand be invited to make an application for a grant through the Arts commissioning framework once this is in place.”

Councillors then voted:-

**Resolved:**

***(5 Members (Councillors Bryning, Hamilton-Cox, Hanson, Leytham and Sands) voted in favour, and 1 Member (Councillor Barry) abstained.) Councillor Blamire had declared an interest in this item and did not participate in the discussions or vote.***

- (1) That Cabinet recognises and supports the continued importance of The Dukes and The Grand as an essential part of the Arts provision in the district, with both theatres effectively being integral to any future redevelopment of the Canal Corridor North site. Accordingly, Cabinet agrees to the request from The Dukes for £12K as the money is required now to assist with the establishment of their business plan, with the additional £12K being allocated from the Performance Reward Grant Reserve.
- (2) That The Grand be invited to make an application for a grant through the Arts commissioning framework once this is in place.

**Officers responsible for effecting the decision:**

Chief Officer (Regeneration & Planning)  
Chief Officer (Resources)

**Reasons for making the decision:**

The development of the district's arts offer and its relationship to the Canal Corridor Development is highlighted as a key economic development objective in the Council's Cultural Heritage Strategy. The decision provides support in line with this objective.