Future Arts Provision in Lancaster
UPDATE REPORT

September 2016

Bonnar Keenlyside

Contents

1. Summary

1.1. Plans to create a retail and leisure development on the area known as Canal Corridor North (CCN) include the site of The Dukes. In 2013 Bonnar Keenlyside considered the potential for creating a new performance and film arts centre to house the Dukes and Ludus Dance. Lancaster City Council (LCC) has commissioned an updating of this report to inform the partners in this project with the expectation that it will support an imminent bid to the Arts Lottery for a new venue for the Dukes.

1.2. Our 2013 report identified:

- that the Dukes had strengths in its creative learning programme, partnership with Lancaster University and Park show but it needed to develop its business model as its current financial position was not sustainable; that there was clear opportunity to increase attendances for independent cinema and live streaming should it establish dedicated screens;
- that Ludus was in the process of adjustment to a major cut in funding and the loss of its touring company and 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; that its programme of dance classes was underperforming due to its very poor facilities.; that it needed to move and to clarify its focus for future sustainability;
- that there was a clear gap in the Lancaster market for quality dance studios; that dance teachers were interested in hiring such a space, and a strong demand from agencies such as Lancashire Sport for facilities and activities which will engage young people.

1.3. These conclusions remain broadly true in 2016 but, three years on, both of the buildings are older and both organisations now have to contend with forthcoming losses of grants from Lancashire County Council. This update report includes a detailed market assessment and a review of shifts in the operating environment.

1.4. In the three years since the last report, Dukes and Ludus have continued their usual businesses, with both meeting ongoing challenges in sustaining their organisations.

1.5. The Dukes has significantly increased its cinema programme which has resulted in more income both from tickets and bar sales and a lower cost of programme. It has stabilised its attendances for the Park show and Christmas shows and other elements of the live programme have reduced. It has increased its non-recurrent income from trusts, individuals and the University and has returned a small positive balance in 2015/16 for the first time in several years.

1.6. Ludus has survived the transition within its reduced economy, balancing its books each year. It has reduced the number of classes and participants in Lancaster and has begun to increase its dance development work across Lancashire.

1.7. The facilities of Dukes and Ludus are poor in relation to other arts organisations and this is likely to be a significant factor limiting their perceived offer to the public and funders.

1.8. During the same period, there have been a number of key shifts in the operating environment and, in particular, to the priorities and focus of public bodies. The Arts Council of England (ACE), which is the major funding stakeholder, has evolved to be a more proactive funder than in the past with a more visible role in championing the arts, museums and libraries and actively developing partnerships to maximise the impact of investments in the arts and access to them. Amongst its priorities are partnerships with universities and LEPs. A strong feature of ACE's recent funding investments in cultural venues is collaboration and partnerships. Lancaster City Council has a new CEO with a commitment to the arts and culture as key elements in Lancaster's growth in the context of a corporate plan which seeks to improve Lancaster as a centre and attract and retain residents and tourist. The University of Lancaster has strengthened its global reputation and is now one of the UK's Top Ten universities, while significantly increasing its commitment to the arts across the University. Lancashire County Council is largely cutting its funding for the arts and culture which will reduce to zero the funds to the Dukes and Ludus in 2018/19 (current combined £185k) .

1.9. There a significant available market within the catchment for Lancaster and potential to increase market share for performances, screenings and events through creating a compelling programme which is differentiated from other providers and which attracts those who currently attend venues in Manchester, Blackpool and Kendal.

1.10. The nature and size of the market could support a medium sized venue. However, there are challenges regarding the financial sustainability for a venue of this size if operated on the same model as the Dukes currently. The Dukes' business plan for a new facility identifies a revenue funding shortfall on the basis of achieving significant increases in earned income and paying a substantial rent.

1.11. Lancaster is at an important juncture in its development and in particular in defining its identity in the context of its regional positioning. There are several projects in train to develop Lancaster as a cultural destination with an important heritage. The CNND plans to attract shops and eating national chains and a cultural quarter which are a step up from the current offer in the city. These developments are thought by strategic stakeholders to be good steps forward. However, there is a view held by the same stakeholders that the current Lancaster offer, across arts, culture, retail and hospitality, is underwhelming, lacking aspiration and energy and a question as to how far this development will address these gaps.

1.12. Specifically with regard to arts and culture in Lancaster, stakeholders identified a lack of leadership. Several offered examples of comparators, for example the Grand Theatre Blackpool, HOME in Manchester and Storyhouse Chester, where cultural leaders have developed wide relationships at national and international level, where partnerships are fundamental to governance and activities and where ambitious projects are investment-ready to attract new funds.

1.13. These comments are in the context of strong support from, ACE, BFI Filmhub and other stakeholders for a reinvigoration of Lancaster's cultural infrastructure and recognition of the value and achievements of Ludus, the screenings, creative learning and Park shows at the Dukes.

1.14. Lancaster Arts/Lancaster University has been identified as pivotal to future creative and cultural provision, with new ideas, energies and resources.

1.15. The current plans for CNND describe a new home for the Dukes, with additional producing and screening, with the University described as a sponsor and training partner and Ludus as a cultural tenant. I recommend that the offer for the proposed new venue is developed from the perspective of a creative arts hub for Lancaster fit for the future, with partnership with the University, City Council and other artists and creative organisations at its core. Such a development could reposition Lancaster's arts as a dynamic hub for ideas and inspiration, attract more audiences for diverse activity and develop a sustainable business model.

2. The Dukes

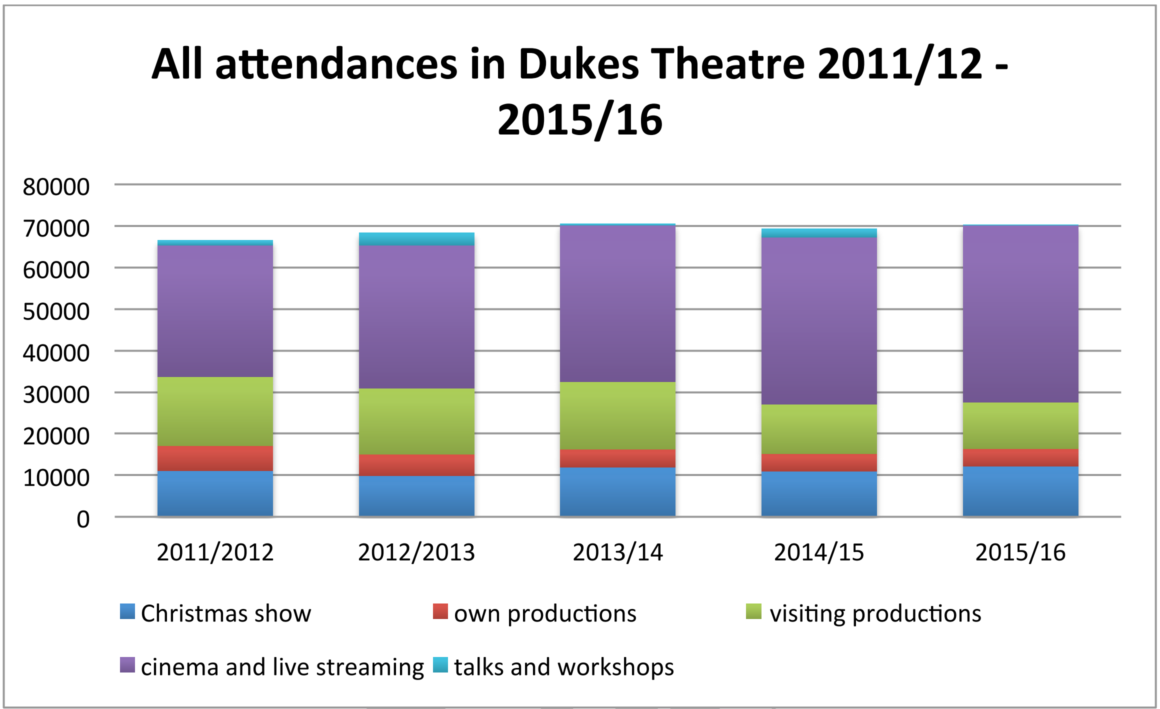
2.1. The Dukes is an arts centre, theatre and cinema and a creative learning hub. It produces its own theatre productions including an annual show in Williamson Park and presents work by visiting companies, runs a bar and catering operation and undertakes other income generating activity through its workshop services. Its main strands of activity are:

- live performances at the Dukes (Christmas, its own produced work, and work from other theatre, music, dance and literature companies);
- its Park show;
- cinema and live streaming at the Dukes;
- creative learning activities in its DT3 building and in outreach settings

2.2. Since 2013, the Dukes has increased the number of screenings and reduced the number of performances in the Dukes

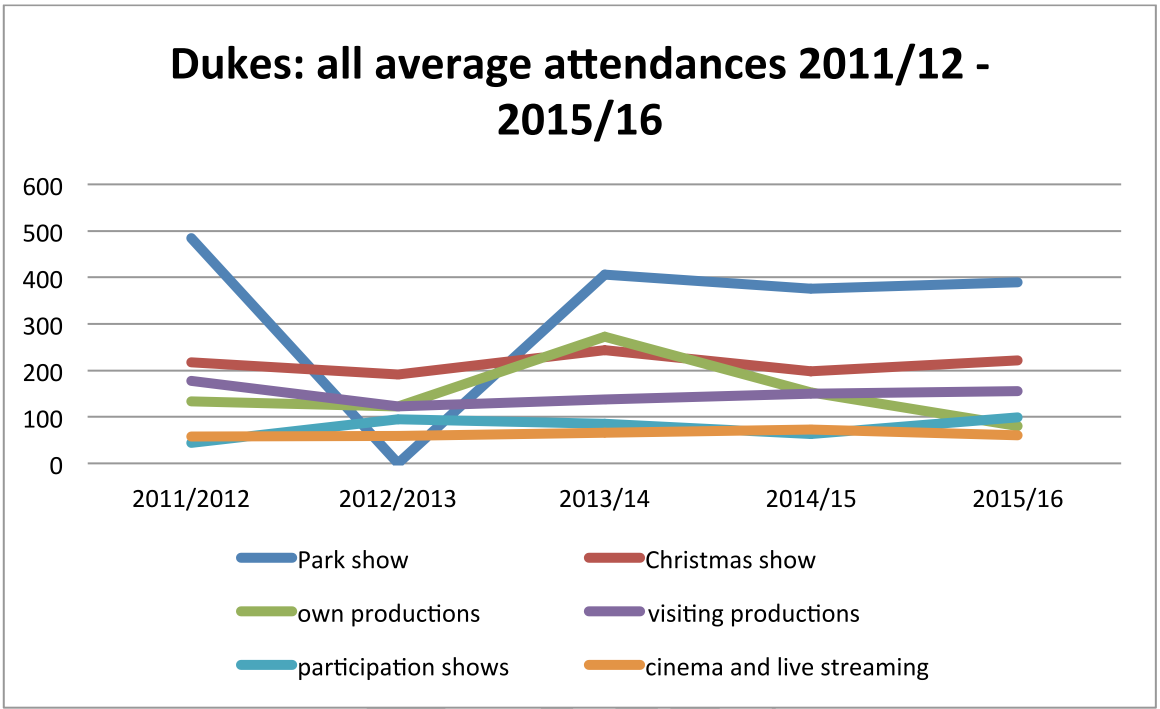
	2011/2012	2012/2013	2013/14	2014/15	2015/16
Performances in the Dukes	190	224	183	162	179
Screenings in the Dukes	548	586	572	557	708
Total	738	810	755	719	887

2.3. Total attendances have increased in the main for cinema:



2.4. Not only have live performances at the Dukes declined, but so have the average levels of attendance.

	2011/2012	2012/2013	2013/14	2014/15	2015/16
total performances in Dukes	190	224	183	162	179
total attendances at performances in Dukes	33682	30966	32488	27076	27521
average attendance	177	138	178	167	154



Note: there was no Park show in 2012/13

2.5. Cinema is outperforming all other parts of the Dukes programme. Between 11/12 and 15/16 the number of screenings has increased by just under 30% while maintaining average attendances. This is a strong indicator of the Dukes' success in film programming. The Dukes Cinema is one of the UK's network of arts centre cinemas with a 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. The Dukes has marginally increased attendances at its Christmas show and participation shows but audiences have declined for the visiting programme and the self-produced work has fared least well of all events.

2.7. 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 and poor in comparison with many other cultural venues.

2.8. The Dukes business model has evolved since 2013. In 2013, a ‘base year’ was identified, which adjusted the actual results for 2012/13 when there was no Park Show. Since then, the main changes are:

- increase in income from cinema sales and associated bar and catering income;
- cost of sales relatively lower, associated with increased cinema and less live performance;
- significantly greater income from non-recurrent trusts and funds, sponsorship and giving: the Dukes shows a high level of income from sponsorship in its accounts in comparison with other similar sized arts centres. The bulk of this comes from the University of Lancaster (£87,085 in 15/16). In 2015/16 the Dukes also attracted £100,165 from trusts and funds and £50,586 from giving. The level of non-recurrent funds (in his case, Esmee Fairbairn Foundation and an ACE audience development funds) is good and comparable to most other arts centres of similar size. The level of giving is high;
- these funds carry associated additional costs.

2.9. The operating profile is shown on the next page:

DUKES	2012/2013	Base Year	2015/16
		(2012/13 adjusted for Park Show)	
Income	**£'000s**	**£'000s**	**£'000s**
Box Office and fees	457	643	708
Creative Learning	135	135	116
Bar and Catering	123	123	153
Other earned income	53	55	33
Non-recurrent grants and sponsorship	61	61	238
Core subsidy	576	576	565
Total Income	**1405**	**1593**	**1813**
Expenditure			
Direct cost of programme	366	563	543
Creative Learning	118	118	98
Bar and Catering	54	54	58
Direct cost of other earned income	22	22	9
Costs of non-recurrent activity	3	3	3
Sales, Marketing and Development	91	91	164
Salaries	584	569	662
Overheads	207	207	249
Total Expenditure	**1444**	**1627**	**1787**
operating result	-39	-34	26

2.10. In 2015/16 the Dukes has returned a small profit, for the first time in several years and it has succeeded in improving its balance sheet to show unrestricted reserves. The balance sheet position on the latest (audited accounts (2015/16) showed ne unrestricted reserves of £17,383 with restricted reserves of £141,728.

2.11. The Dukes faces ongoing challenges to its sustainability, with the future loss of funding from Lancashire Council, which in 2015/16 was £158,550, are projected to reduce over the next few years to £0 in 2018/19. Moving forward, the Dukes plans to increase its income from giving and sponsorship.

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 in Lancashire. Its role and remit changed significantly in 2013 after a major review of its governance and management and the loss of 70% of its ACE funding associated with its touring dance company. During the last three years it has been in transition with a new focus on developing partnerships and delivering commissions and also for supporting progression routes for dance from children through to young professional

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. Since 2013, Ludus has reduced the number of dance classes as several were unviable:

LUDUS	2012/13 (actual)	2013/14 (actual)	2014/15 (actual)	2015/16 (projected)
Activity				
Community Class Programmes				
studio hours per year	546	546	412	448
number of classes per week	18	18	14	14
total attendance	5500	5217	3224	4010

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. Ludus has stabilised its economy within its smaller size and has begun to attract new funds for dance development programmes:

LUDUS	**2012/13**	**2015/16 (projected)**
Income	**£'000s**	**£'000s**
Community Classes Income	20	16
Studio hires		1
Dance Development Income	36	65
Core Subsidy	132	145
Non-recurrent grants and c/f reserves	98	46
Misc	6	3
Total Income	293	276
Expenditure		
community classes	19	15
dance development programme	30	73
marketing	3	9
staff	120	133
building overheads	42	29
admin overheads	37	19
Total Expenditure	251	278

3.5. The activities are limited not only by the premises but by the small team. The studio dance programme runs at a loss.

3.6. The balance sheet on the last audited accounts, 2014/15, showed unrestricted reserves of £54,271 and restricted reserves of £150,921.

3.7. Similar to the Dukes, Ludus faces the future loss of all funding from Lancashire County Council (£26,165 in 2015/16). The company has ambitions for growth which will form part of its bid for the next round of ACE National Portfolio funding in 2017.

Demand for a dance studio

3.8. There are other providers of community dance classes in Lancaster and other studios but none of quality in the city centre. During a market assessment in 2013, 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.

3.9. 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

Arts Council of England (ACE)

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. Both are NPOs, (National Portfolio Organisations of the Arts Council of England) as is Lancaster Arts, in particular the visual arts programme and the Peter Scott Gallery at the University.

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 not only inform revenue investment but 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.

4.4. Over the last few years, and in the context of smaller levels of government funding, ACE has expanded its remit to include museums and libraries and evolved its role to become more clearly a proactive champion for the arts and culture. Arts Council leaders have emphasised the importance of partnerships with institutions occupying and influencing education and economic spheres. In particular, Darren Henley, ACE CEO, has stated that he sees universities as being a vital part of cultural regeneration and has met with Lancaster University to encourage greater partnership with ACE.

4.5. The contraction of public expenditure over the last seven years 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.

4.6. When consulted for this report, ACE Director for the North West emphasised that ACE regards Lancaster to be in need of a major reinvigoration of its performing arts provision. ACE regards Ludus highly and also regards highly the creative learning programme and Park show at the Dukes, as well as the visual arts at the University. ACE recognises the limitations of the current venues. However, she emphasised that a new cultural venue for Lancaster which would find ACE support would need to be significantly more aspirational than the current offer in the City, more vibrant and with a greater multiplicity of partners and artists, in a more 'porous' facility.

4.7. She cited examples of new cultural venues which have achieved this including:

- HOME in Manchester, which is a multi-art form creative hub spawned from a merger of the Library Theatre and the film and visual art centre Cornerhouse. HOME describes itself as ' *for curiosity seekers, for lovers of the dramatic, the digital and the deeply engaging; for radicals and reciprocators'*;
- Storyhouse, Chester's £37 million new cultural centre which combines a al library, theatre, cinema and café & bars. Storyhouse describes itself as *'a creative home for inspiration and innovation. Storyhouse hosts and creates world-class film, theatre, music, digital art & literature. It is a place for exploration and discovery; where new talent is nurtured and community creativity encouraged'*.

4.8. Storyhouse is the country's largest regional arts project currently under construction, and has been made possible by significant investment from Cheshire West & Chester Council, with support from Arts Council England, MBNA and trust & foundation grants with partnerships with the Library Service, the University of Chester, and local charities. Chester has resonances with Lancaster not only in its position as a top heritage city but also with the operator of the venue being the producers of the Open Air Theatre productions.

4.9. The ACE lead for Lancashire was also consulted for this report and added that a new cultural venue for Lancaster might also involve other artists and companies from across Lancashire and further could involve wider creative and cultural industries.[1]

4.10. ACE believes Lancaster to lack leadership in the arts and emphasised the opportunity to develop more aspirational plans with the University taking a significantly greater role than currently.

British Film Institute/Film Hub

4.11. BFI is the strategic agency supporting film in the UK . Its key priority is expanding education and learning opportunities and boosting audience choice across the UK and it supports independent cinemas to achieve this. The North West Film Hub coordinator was consulted for this report and confirmed that the Dukes film programme and projects is highly regarded, commending the growth and diversity of recent years. There is strong support for a venue with at least one dedicated screening facility.

Lancaster City Council

4.12. LCC has multiple interests in the Dukes and Ludus, strategically and in terms of its roles as current leaseholder and statutory planning authority.

4.13. 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.

4.14. 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. Its Corporate Plan states the ambition for Lancaster to be 'a prosperous historic city with a thriving knowledge economy'.

[1] We have sought further consultation on the needs of creative and cultural industries with Ace recommended contact at Lancashire County Council

4.15. The four priorities of the Corporate Plan 2016 -2020 are: Community Leadership, Health and Wellbeing, Clean and Green Places and Sustainable Economy. Areas of particular relevance to the arts offer are:

- sustainable economic growth and jobs will be created in key sectors including energy, knowledge, health and the visitor economy;
- the attractiveness and offer of the district as a place to visit or invest in will be improved and Lancaster and Morecambe Bay will be recognised as important visitor destinations;
- improving inward investment through the attractiveness of the district as a place to live and work

Arts Strategy

4.16. LCC is signatory to *2020 Vision: A Seven Year Framework for the Arts in Lancaster District* which 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.

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.

4.17. LCC also operates The Storey, a key element in the arts provision in Lancaster which includes workspaces and artist funded exhibitions, a tourist information centre and a restaurant /café.

4.18. Lancaster Cultural Heritage Strategy (2011 - 2015) includes commitments to strengthen the heritage offer of the City, improving the profile and offer of the City's museums and historic buildings, including through greater use of Lancaster castle as a venue for events.

Lancaster Arts Partnership (LAP)

4.19. The LAP activities includes Light Up The Streets (Light Up Lancaster), an app that lists Lancaster arts events and the First Fridays programme of arts activities which run in city on the first Friday of every month. Current members are Lancaster Arts, The Dukes, More Music, Ludus Dance, Green Close Studios, Litfest, Storey G2, Lancaster Music Festival and the Lancaster Youth Arts Partnership (including Aspire and Lancashire YPS).

Lancashire agencies

4.20. In the context of the severe cuts to arts funding made by Lancashire County Council, a project to develop a Lancashire Cultural Partnership is underway to investigate the optimum approach to achieving a strategic approach to the development of arts and culture in the county.

4.21. The Lancashire Enterprise Partnership (LEP)'s **Lancashire Strategic Economic Plan** sets out proposals to improve economic performance. Building on global strengths in research and innovation, particularly associated with the aerospace, advanced manufacturing and nuclear sectors, the priorities are:

- Sector Development & Growth
- Innovation Excellence: Maximise the economic value of Lancashire's centres of research and innovation excellence and globally competitive business clusters.
- Skills for Growth Refocus: Lancashire's approach to skills provision, ensuring it is responsive to business needs and demands.

- Business Growth & Enterprise" Strengthen and refresh Boost, Lancashire's business growth hub, and improve our strategic marketing capacity to attract new investors and occupiers.
- Releasing Local Growth Potential: Create the right conditions for business and investor growth, and unlock new development and employment opportunities across Lancashire.
- The Renewal of Blackpool

4.22. Lancaster is identified by the LEP as a major location for economic and housing growth and a key service centre within the growth and development area of Lancashire (the ' arc of prosperity') and Lancaster University is regarded as one of Lancashire's key economic assets. The Plan notes that, while Lancaster benefits from its historic strategic position, its road and rail transport links *' the area is often perceived as being a peripheral location by investors. Lancaster has much to gain from a renewed approach promoting the Lancaster offer within the broader strategic marketing of Lancashire'*

4.23. Marketing Lancashire is the marketing arm of the LEP and is involved in several initiatives to strengthen the profile of Lancaster, focussing on its cultural and heritage potential including the Destination Development Plan and the six English Heritage Cities joint bid to ACE for a Cultural Destination project. When consulted for this report, the CEO of Marketing Lancashire emphasised the opportunity for Lancaster to develop a much more ambitious offer as a cultural destination associated with more aspiration, innovation, energy and leadership.

Lancaster University

4.24. Lancaster University is consistently referenced in the plans of other agencies as a major strength. Now a top 10 UK university with global reach, the University's strategy for 2020 is 't*o become a university that is globally significant – a leader in higher education that provides the highest quality research and teaching, and engages locally and internationally on the issues and debates of the day and future; Driven by research, and stimulating learning, the globally significant university informs and changes practice and thinking worldwide*.'

4.25. The University is a key stakeholder in Lancaster , aiming to have a great city centre presence. It is a partner in the CNND, planning student accommodation in the development for 1000 students. Already investing in the Dukes, it is engaged in exploring closer and further partnership with the Dukes.

4.26. Its arts activities are convened in Lancaster Arts. This presents UK and international artists in public programmes of professional theatre, dance, exhibitions and concerts in the University venues within the Great Hall complex: Lancaster International Concerts, the Peter Scott Gallery and the Nuffield Theatre. There are proposals for a capital development to improve this complex.

4.27. It also has a nationally important role as a 'safe-house' for the development of innovative contemporary arts, nurturing generations of artists. It also delivers a range of projects with young people and local residents.

Shifts since 2013

4.28. The 2013 mapped out the main provision in Lancaster and surrounding area. Since the 2013 report, the key developments are:

- The substantial shift at Lancaster University which embeds and prioritises the arts and encompasses not only the University's venues the Nuffield Theatre, the Peter Scott Gallery and the Great Hall but also LICA (the academic practice- based Lancaster Institute for the Contemporary Arts)
- The ongoing cultural renaissance of Morecambe, adding to More Music is Morecambe the entertainment venue The Platform with a vibrant creative community including the Morecambe Artists Colony and Deco Publique;
- The development of key regional facilities and programmes, in particular, HOME in Manchester, a flagship cultural venue created through the merger of two of Manchester's best-loved arts organisations, Cornerhouse and the Library Theatre Company; and projects and programmes within Blackpool including an Arts Council funded Creative People and Places programme which seeks to engage people in low areas of engagement and the programmes at Blackpool Grand including dance.

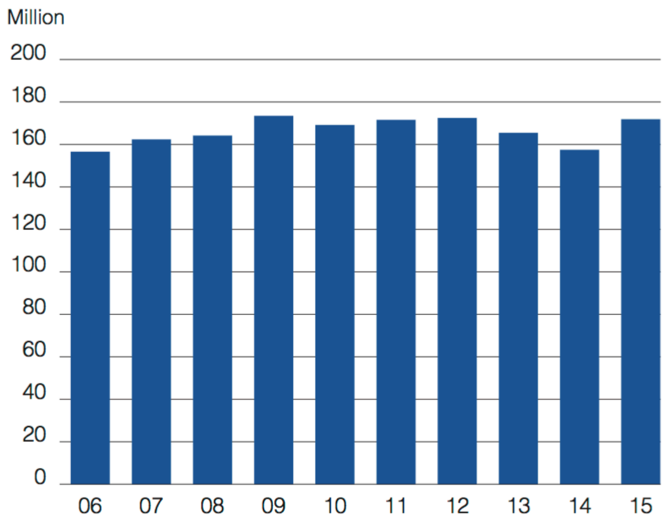
4.29. The operating environment has shifted considerably since 2013 and it is clear that there is a palpable opportunity for a step change in cultural provision in Lancaster, developing a transformative venue driven by new ideas, multiple partnership and dynamic leadership. This further has the potential to drive a new business model.

5. The Market

5.1. This section includes an overall assessment of demand for performances, screenings and participation in the arts within the catchment area for Lancaster, and notes the demand for a dedicated dance studio. There are two appendices to this report: Appendix A, Market Assessment, which is a technical report including detailed analysis and mapping of potential audiences; and Appendix B, Competitive Provision.

5.2. Overall, demand for attending performances is stable in the UK while the market for cinema is buoyant, with attendances in 2015 retaining the peak achieved in 2012. In 2015, the box office share of UK independent films was 10.5%, down from 16% in 2014.

Figure 1 Annual UK cinema admissions, 2006-2015



source: BFI statistical handbook 2015

Lancaster market

5.3. The market assesment report assesses potential demand for enhanced cinema and live performance provision in Lancaster, drawing on a range of data sources to identify the catchment areas for each and potential demand from these. It also includes a brief analysis of existing and potential audience profiles to gain insight about available audience engagement and development opportunities.

5.4. In comparing the findings from the 2013 NEMS Household Survey and locally held box office data relating to existing film and cinema attenders, we have been able to identify potential catchment areas for a range of artforms. They include cinema, for which audiences are likely to travel shorter distances (up to 30 minutes drivetime); a number of performance based artforms, for which there are clear differences in the catchment areas (between 30 minutes and over an hour's drivetime); and, participatory activities for which we can expect participants to travel some distance.

5.5. The analysis of demand and market share within these catchment areas suggests that whilst the markets for cinema and seasonal shows are reasonably well serviced currently, there should be opportunities to engage more audiences with other live performance events, including music, plays & drama, dance and children & family shows.

5.6. Over half of the market originating from the study area goes to locations outside the study area, indicating a willingness to travel to events and/or lack of local provision. The NEMS study findings reflect this and indicate that Lancaster currently attracts just under 22% of the total market share for arts and cultural trips originating from within the study area (all zones). They also indicate that a large share of the market is currently held by destinations outside the area, including Manchester and London; so there may be opportunity to increase market share through enhancements to local provision.

5.7. The estimated potential market for live performances, together with the current market share of the Dukes, is summarised below:

Table 6: Audience demand estimates	Plays & Drama	Dance	Music	Art exhibitions	Theatre all	Children & family	Christmas
Expected % of audiences from area	80%	75%	75%	80%	80%	60%	80%
Total demand from study area	269,971	45,418	358,603	381,108	342,350	148,001	60,546
Lancaster's share of demand f	22%	22%	22%	22%	22%	22%	22%
Demand potential	58,584	9,856	77,817	82,700	74,290	32,116	13,138
Total demand	**73,230**	**13,141**	**103,756**	**103,375**	**92,862**	**53,527**	**16,423**
The Dukes attendances 15/16	*8,516 (12%)*	*1,199 (9%)*	*776 (1%)*	-	*25,789 (28%)*	*97 (0%)*	*10,935 (67%)*

5.8. The potential demand for cinema is similarly shown:

Table 2: Summary of demand calculations: Cinema	
Catchment area	30 minutes drivetime (zones 1 to 7)
Catchment area population	200,200
Resident Adults (15+)	170,500
Estimated adult audiences per annum	92,100
Average frequency per annum	5
Total adult attendances from catchment	460,400
Estimated population attendances from catchment	540,600
Total demand (including outside catchment area)	675,700
Estimated minimum market share for enhanced provision	7%
Estimated minimum demand for enhanced provision	47,300
Existing demand: Dukes sales 15/16	40,700
Dukes existing market share	6%
Available additional market	6,600

5.9. Similarly, in terms of demand for participatory activities, the market potential is estimated:

Table 7: Participant demand estimates	Theatre workshops	Dance classes
Expected % of audiences from area	60%	100%
Total demand from study area	60,901	16,225
Lancaster's share of demand	22%	100%
Demand potential from study area	13,216	16,225
Total demand (including outside study area)	22,026	16,225
The Dukes /Ludus attendances 15/16	1,611	4010

Note: this does not take into account participation at dance schools in Lancaster currently

5.10. A review of the areas of influence of venues within the region providing similar programmes demonstrates the future impact of the Blackpool Grand across all theatre markets: particularly on the available share of the children and family market. The same analysis highlights potential opportunities to supplement, enhance or work in collaboration with the Bolton Octagon's programming associated with dance, children and family shows and participatory activities.

5.11. The analysis of audience profiles suggests that there are two main target groups for each of cinema and theatre provision in the catchment areas: one that has mainstream preferences (Audience Finder types Dormitory Dependables, Trips & Treats and Home & Heritage), is risk averse and likely to attend on an infrequent basis, to which popular films and shows will appeal; and the more discerning (Audience Finder Experience Seekers and Commuterland Culturebuffs), risk taking and willing to travel and pay for film and theatre that is unique of different to that available elsewhere. This second group may chime with the characteristics of aspirational Lancaster residents including those associated with the University and the innovation sectors.

5.12. The two most viable groups for audience development (Up our Street and Facebook Families) are underrepresented target audience groups.

5.13. The maps highlight clear differences in the distribution of each group with key hotspots of risk taking audience groups in Lancaster, beyond Kendal to the north and around Lytham-St-Annes; mainstream audience groups more dispersed and prominent in Kendal, parts of Preston and North of Blackpool; and, clear hotspots of under-represented target groups, the most proximate and viable being in the area around Morecambe.

Demand for a dance studio

5.14. 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.

5.15. There is potential for generating income from studio rental but dance teachers emphasised the importance of having an affordable space.

5.16. 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

5.17. 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 B: Lancaster Competitive Provision.

5.18. 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

5.19. 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.

5.20. 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

5.21. 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:

	Lancaster	Warwick	Dundee	Exeter	Derby	Bath
population	139,800	137, 648	144, 290	117,800	248,752	176,000
	The Dukes, VUE	Warwick Arts Centre, VUE	DCA, Odeon	Phoenix, VUE, Odeon, Picturehouse	Derby Quad, Odeon	Little Theatre, 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		220	217	341	232	192
dedicated screen 2			70	132	125	72
shared screen	313					
total screening capacity	313	220	287	473	357	264
no of annual screenings	708	783		32	312	
no of attendances	42,615	56,157	85,873	93,611	75,000	93,000

5.22. In conclusion, there is evidence of significant market potential for performances, screenings and participatory events in Lancaster.

5.23. The key questions are:

- under what circumstances could these be attracted – what would be a compelling offer attracting new and more diverse audiences?
- what business model would support realistic audience numbers?

6. Participants

6.1. Both the Dukes (Ivan Wadeson) and Ludus (Di Cuming) have been involved in this review, providing data, ideas and concerns and our client contact has been led by David Lawson from LCC. Externally, we have consulted:

Person	**Agency**
Alison Clark, North West Director	Arts Council of England
Neil Harris, Lead for Lancashire	Arts Council of England
Sally Folkyard, Development Manager Film Hubs	British Film Institute
David Pollock	British Land
Susan Parsonage, CEO	Lancaster City Council
Richard Hammond, Arts Officer	Lancaster City Council
Ruth Connor, CEO	Marketing Lancashire
Andrew Atherton Deputy Vice Chancelloe	University of Lancaster
Fiona Sinclair Interim Co-Director of Lancaster Arts	University of Lancaster