Cultural Capital Investment Interim Impact Evaluation

A report prepared for *emda* and Arts Council for the East Midlands

SQW and BOP Consulting

September 2010

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Executive Summary

Headlines

1. This report provides interim impact evaluation evidence on a major initiative to develop the quality and opportunity of cultural provision in the East Midlands with an investment of about £120m. Eight venues across the region have been supported, a mix of brand new buildings and bringing new life to existing facilities.

2. The eight venues differ in a range of aspects including scale, community orientation and art form. They include visual arts galleries, theatres, cinemas and multi-purpose arts centres each of which attract different audiences, relate to different neighbourhoods and have different aspirations and ambitions. While the planning began early in the new century, many of the buildings have only just opened and of course will take time to become established.

3. This report sets out what the investment has achieved so far and how information on the impact of the venues will be collected in the future so that everyone involved can see what has happened as a result. There is already some striking evidence from the venues:

   - 484 new jobs have been created (from 389 in 2005/06 to 873 in 2008/09)
   - attendance at performances, exhibitions and film events has increased dramatically, more than trebling from just under 200,000 in 2005/06 to over 875,000 in 2008/09
   - venues are succeeding in attracting audiences from outside their towns and cities and many people attending more frequently
   - people were highly satisfied with the whole visitor experience which bodes well for financial sustainability in the future.

4. Not only has the investment had an impact on the venues but also on businesses in the surrounding areas with more than half being positive about the impact of the venue on the attractiveness of the area as a business location and nearly as many were positive about the impact of the venue on the number of visitors to the area. Businesses were even more positive about the extent to which the venue has impacted on civic pride, quality of the cultural offer and coverage of the town/city in the media.

5. This view was echoed by residents of the towns and cities across the region with an overwhelmingly positive response. They reported a greatly increased sense of pride in their city and a wider and more exciting range of cultural opportunities.

6. Other evidence suggests that the new buildings or their enhancement has been responsible for ‘kick-starting’ regeneration of the surrounding areas – some of it planned and in other cases, part of a market response to the improved cultural environment.

7. There is virtually universal acknowledgement that the investment has improved the cultural offer in terms of the range of opportunities to see and to participate in cultural experiences,

and that the quality of the offer is significantly higher. Outreach, education activities and community engagement is building though there is still work to be done in reaching more marginalised groups. A critical factor here is the attraction and retention of experienced and able arts professionals to ensure high quality leadership and management.

8. Overall, the investment has already delivered significant benefits and in most cases the venues are operating well while recognising that there are further opportunities to make sure that the rewards – economic, cultural and social – are deepened and sustained. The results so far are positive (particularly in view of the adverse economic climate) and the signs for the future are good.

Background

9. This report presents, discusses and interprets evidence of economic, social and cultural impacts of capital spending on eight major cultural infrastructure projects in the East Midlands. The project was commissioned jointly by the East Midlands Development Agency (*emda*) and the Arts Council England (East Midlands) in February 2009 under *emda*'s evaluation framework. It is due for completion in March 2010 and there are plans to make this a longitudinal assessment by undertaking another round of impact explorations in 2010/11.

10. The project was led by SQW Consulting (SQW) in partnership with BOP Consulting. Some of the fieldwork (audience and business surveys) was undertaken by QA Research. The project was overseen by a Steering Group with representatives from Regeneration East Midlands, *emda* and the Arts Council England (East Midlands).

11. Over the past few years investment of approximately £120m has been made in cultural infrastructure by a number of regional partners led by *emda* and Arts Council East Midlands. This represents a major capital development programme for the arts in the East Midlands region and is was undertaken on the basis of a shared understanding of the potential for arts and culture to achieve a wide range of economic, cultural and social objectives.

12. The Arts Council strategy under the Arts Capital Programme was to increase the quality of arts venues and media centres across the region, improving access for communities and facilities for the region's creative and cultural industries. The venues funded in the East Midlands are summarised below.

Table 1: Capital programme venues

Name	Location	Art form and investment	Total investment (£m) by emda, ACE and others
Broadway	Nottingham	Art House Cinema; endowed with extra screen and bar & café facilities Re-opened in October 2006	5.9
Curve	Leicester	New theatre in Leicester's Cultural Quarter Opened in November 2008	62.0

Name	Location	Art form and investment	Total investment (£m) by emda, ACE and others
The Level Centre	Rowsley Rural Derbyshire	New home of First Movement; purpose built facility for dance and creativity, particularly for people with special needs Opened in September 2008	2.0
New Art Exchange	Nottingham	Gallery and arts Centre in the Hyson Green area of Nottingham Opened in September 2008	5.5
Nottingham Contemporary	Nottingham	New visual arts gallery Opened in November 2009	19.6
The Peepul Centre	Leicester	Community arts and leisure complex Opened in 2005	18.6
QUAD	Derby	Centre for arts and film Opened in September 2008	9.8
Royal & Derngate	Northampton	Physically joining two theatres into one building with shared entrance and additional facilities Opened in 2006	15.7

The evaluation project

13. Significant investment has been made in these venues by *emda* and the Arts Council and also from a range of other partners in the public and private sector. There is therefore strong interest on part of many of these organisations to understand the range of impacts stemming from these projects individually and as a whole. Further the venues themselves recognise the importance of gathering the intelligence and using it to guide planning and activity in order to increase their effectiveness.

14. In 2006, ECOTEC was commissioned to undertake stakeholder consultations and develop an evaluation framework based on a logic chain of economic, social and cultural impacts. Our work builds on this project as its starting point, developing and shaping the methodology in light of the achievements of the eight projects.

15. Our methodology was designed to test a theory of change – leading from investment in cultural infrastructures to better places to live, work, play, learn and visit – and to capture a comprehensive range of economic, cultural and social impacts. The methodology was discussed and agreed by the project Steering Group.

16. Underlying the methodology was an appreciation of three issues:

- investment in the portfolio of capital projects was **recent**; some of them had only opened towards the end of 2008 and one only opened in November 2009; there was a concern that care needed to be taken to identify emerging impacts and to understand that the full picture would only emerge over a longer period of time

- all eight projects are very **different in a range of aspects** including scale, community orientation and art form. They include visual arts galleries, theatres, cinemas and multi-purpose arts centres each of which attract different audiences, relate to different neighbourhoods and have different aspirations and ambitions. This report tries to tease out generic findings but is respectful of the variety of approaches
- the opening of the eight projects coincided with one of the most **severe recessions** the UK has experienced for more than ten years, impacting on consumer expenditure on arts and culture (which at the end of the day is discretionary spending) and property developments that may have been sparked by the opening of some of the venues has been dampened accordingly. Therefore, the economic impacts resulting from the venue openings may not have been experienced at their fullest level and time will bring about further impacts.

Impact findings

Economic impacts

17. In terms of economic impacts, the venues are all sizeable employers in their own right and, reflecting the investment in cultural infrastructures, there has been a significant increase in employment across the board by a total of about 484 posts (from 389 in 2005/06 to 873 in 2008/09).

18. In aggregate, the organisations are becoming more sustainable, with earned income rising relative to total expenditure. There are, however, variations across venues which are highlighted in venue dossiers attached in a separate volume of annexes.

19. Turning to the visitor economy, attendance at performances, exhibitions and film events has increased dramatically, more than trebling from just under 200,000 in 2005/06 to over 875,000 in 2008/09. Venues have been successful in attracting sizeable audience numbers from outside their towns and cities and there has been an increase in the frequency of visits.

20. Audience members were highly satisfied with the whole visitor experience and the degree of overall visitor satisfaction identified by our survey bodes well for increasing financial sustainability.

21. From the perspective of the surveyed businesses, cultural capital investment was seen to have the greatest impact in terms of the attractiveness of the area; more than half of business respondents were positive about the impact of the venue on the attractiveness of the area as a business location and just half were positive about the impact of the venue on the number of visitors to the area. Businesses were even more positive about the extent to which the venue has impacted on civic pride, quality of the cultural offer and coverage of the town/city in the media. Over the next two years, further benefits are expected to flow with well over half of respondents expecting further positive impacts on the quality of the arts and cultural facilities available in the city/town, the image and sense of pride in the city and increased coverage of the city/town in the media.

22. However, at this stage only very few of the surveyed businesses (5%) reported changes to their business operation as a result of the venue opening/reopening. However, while only very few businesses felt they could report on direct impacts in their own business, the results were more positive with respect to impacts on the business environment in the local area; a total of 28% of businesses responded that the venue has had a positive impact on the turnover of businesses and a total of 26% of businesses assert a positive impact on the number of customers in the local area.

23. This discrepancy between what businesses feel for themselves and what they see in their general environment is not atypical for surveys of this nature. Businesses tend to be reluctant to attribute positive changes to anything other than their own actions and aspirations while they are more prepared to acknowledge positive external causalities to other businesses in their neighbourhood.

24. Having eight enhanced and/or new major arts and culture facilities in the region has impacted on the confidence of the arts and culture sector in the region as well as on the aspirations of their locations. This impact may be more noticeable at the sub-regional level and as such will be discussed later in this chapter. However, the following can be said at the regional level:

- some of the major **regeneration** activities in the region would not have happened to the extent they have without the cultural projects. Curve in Leicester has been instrumental in the Cultural Quarter Development as well as impacting on the new Highcross shopping development by epitomising the city's future aspirations; the group of cultural initiatives in Nottingham is seen as being a major factor in moving the city's negative image of the crime and gun culture to a positive image through the arts
- there is now a group of well respected **cultural leaders** operating in the East Midlands, some of them attracted from outside the region and with extensive respect and credibility; it is unlikely that this would have happened without the capital projects and having attracted them bodes well for the future of their respective initiatives and the arts and culture sector in the region. Having this cadre of experienced and respected individuals should also allow further learning and knowledge transfer to take place which will support further moves towards sustainability as well as increasing the cultural capital of the region
- in this respect, the eight initiatives cannot be seen in isolation but as part of a range of projects which also includes the new opening of Phoenix Square in Leicester, the development of the Lace Market in Nottingham, extensive marketing and promotion of Derby and Northampton as attractive places to live and work.

Cultural impacts

25. One of the major cultural impacts is increasing attendance at performances, exhibitions and film events which, as stated earlier, more than trebled from just under 200,000 in 2005/06 to over 875,000 in 2008/09.

26. The uniqueness of the "cultural offer" was the most important single reason for audiences to visit – even though other factors were also mentioned. There was strong positive feed-back on whether the venue had a positive impact on the quality of the arts and cultural facilities on offer in the city and this is reflected at all sub-regions. Also, a majority of respondents agreed that the venue had encouraged them to be more comfortable with the arts.

27. The picture was less clear with respect to whether the venue had encouraged active engagement in cultural activities in the area where more respondents agreed than disagreed but the number disagreeing was still relatively high (at 33%). The bi-polar nature of responses was also reflected in visitor responses when analysed at the sub-regional scale.

28. It was also not clear-cut whether the venue had encouraged respondents to engage in arts activities or to develop new skills with a broadly even number of respondents either agreeing or disagreeing with the statement.

29. With respect to cultural impacts, the point made earlier with respect to attracting a group of cultural leaders to develop the initiatives is worth stating as a separate cultural impact. Moreover, some of the venues have attracted strong national interest.

Social impacts

30. There was an overwhelmingly positive result with respect to impacts on respondents' sense of pride in their city. The regional finding was mirrored at the sub-regional scale. Attendance at educational, vocational outreach and training programmes increased less dramatically and indeed there was a fall experienced between 2007/08 and 2008/09. There may be concerns that some venues are not finding enough time and energy to devote to educational activities.

31. Also, the number of individuals volunteering at the organisations increased by only just over forty between 2005/06 and 2008/09. We expect there to be a more significant increase for 2009/10 and in future years as the organisations settle down after the completion of the capital programmes. It could, however, also be the case that as the organisations are becoming more professional and sustainable, volunteering is not considered such an important aspect of their operation. This would be a shame as volunteering is an excellent route for people of all age ranges to experience a wide range of benefits including a way to address worklessness issues and in which national government is investing significantly.

Sub-regional feed-back

32. In Derby, QUAD is seen as a crucial component of the city's offer. Its position as an iconic building at the Market Place in what has become known as the Cathedral Quarter is seen as essential in providing an attraction in this part of the city and a means to balance visitor and foot-fall flow between the new Westfield shopping centre and the area around the Assembly Rooms.

33. In rural Derbyshire, First Movement provides a service and facility that is not accessible anywhere else in the region and is consequently seen by stakeholders as an essential resource for adult learning disabled people. The organisation has given learning disabled people the opportunity to develop a range of interpersonal skills through artistic expression and digital

media at the Level Centre. Feedback suggests that the Level Centre and Level Screen have profound personal impacts on its core user group.

34. In Leicester, Curve (along with the Highcross Shopping Centre) is attributed as having helped to transform the image of Leicester and the perceptions of people outside of the city. The iconic building is frequently used in destination marketing for Leicester and to raise the profile of Leicester as a place to live and work. Moreover, Curve is widely seen to be an aspirational project representing Leicester's ambition and confidence and has helped to increase peoples' sense of civic pride. It appears that John Lewis made its decision to locate to Highcross conditional on Curve being supported.

35. The development of the Cultural Quarter has been noticeably affected by the recession and the uptake of residential and commercial space has been slow. It is hoped that as economic conditions improve, Curve will further stimulate the growth of the Cultural Quarter and be a key attractor for retail, hospitality and creative businesses. To maximise the impact of Curve on economic regeneration more work needs to be done to develop a spatial strategy to link Highcross at the east of the city with the Cultural Quarter in the West.

36. The Peepul Centre is a community arts and leisure initiative catering for the needs of the deprived Belgrave District of Leicester. The project is being used by those who may not venture outside their neighbourhood and find support in what they consider to be a friendly and secure community initiative.

37. In Northampton, the Royal & Derngate Theatre has developed an excellent reputation for performing arts and several performances have received national acclaim. It is located at the heart of what is hoped to become a 'cultural quarter' which also includes the Northampton Art Gallery & Museum and 78 Derngate. There is further potential for Royal & Derngate to contribute to the town as a tourist destination and attract visitors from outside the region.

38. Also, the Royal & Derngate plays an important role in encouraging engagement and wider participation with the arts. The theatre has many such initiatives including a service level agreement with Northamptonshire County Council to provide educational and outreach services across the sub-region with a particular focus on children and young people.

39. Two of the three Nottingham projects have a close connection with the Lace Market. Broadway is in the heart of the area and has a long standing history there; Nottingham Contemporary is on the outskirts of the Lace Market area and the building picks up the lace theme in its exterior cladding. The third project, New Art Exchange, is located in the Hyson Green neighbourhood to the north west of the city centre.

40. Broadway and Nottingham Contemporary are part of the Nottingham Cultural Attractions Group which also includes the Greater Nottingham Partnership, the Arts Council and the key cultural attractions in Nottingham including Nottingham Playhouse. The ongoing investment on upgrading Nottingham's cultural infrastructures has energised this group which now meets frequently and aims to coordinate activities to achieve synergy in programming.

Assessment of impacts on regional Gross Value Added (GVA)

41. We have calculated the regional GVA impacts due to additional employment at around **£48.1m** and due to additional visitor economy impacts at around **£20m**, ie a total GVA benefit of around **£68.1m**. The calculation of these impacts is on the basis of data collected at the time of the interim evaluation. Given the long term nature of the investment, they can be expected to increase over time due to increased employment in the venues and rising impacts from visitor spending on businesses in the region. There may also be additional GVA impacts from inward investment and quality of life improvements which cannot yet be measured in GVA terms but may well be detected when repeating this evaluation in two to three years time.

42. In calculating impacts, we have adhered to guidance produced to the RDAs by their sponsoring central government department. All relevant assumptions are summarised in chapter 4 and further explained in annex G.

43. We consider the size of these impacts to data an immensely positive finding, coming so soon after the opening of the venues and in a time of serious economic recession in the United Kingdom.

Conclusions and recommendations

44. With respect to direct employment, the persistence of positive economic impacts will ultimately depend on the financial sustainability of the projects. While there is strong evidence that at regional aggregate the eight venues have considerably improved their financial sustainability, this regional picture hides individual variations with some venues being on significantly stronger foundations than others. Underlying these variations in sustainability are a range of issues including different business models, marketing approaches and management and organisation concerns. Issues include:

- **programming** pitched at attracting local, regional and national audiences and treading a careful balance between satisfying local demands but also making national waves. There are some good practice examples such as QUAD's Format photography festival which received positive reviews from local as well as international audiences[1], Royal & Derngate's role in the 'Crackers' event [2], Broadway's activities to launch more cinema festivals and the opening of Nottingham Contemporary which attracted excellent national media coverage

- **audience development** to increase the number of first time and repeat visitors. Our audience survey suggests that in aggregate, visitors are satisfied with the visitor experience, appreciate the qualities of the venue and are very likely to come again and recommend the venue to their friends. However, wider stakeholder feed-back has also revealed that there is scope for venues to do more in terms of audience development and encouragement of non traditional audiences. Again, there are some good practice examples in this domain such as the educational work undertaken by

[1] www.artscouncil.org.uk/news/derby-quads-format-photography-festival-named-as-one-of-top-43-wordwide
[2] www.guardian.co.uk/stage/2009/sep/26/crackers-northampton-delapre-abbey-gardens

many of the venues; Royal & Derngate's collaboration with the University of Northampton on jointly offering a BA (Hons) Acting course is seen as exemplary as is Curve's community production of His Dark Materials (with some sadness expressed by beneficiaries that there will not be any similar experience for a while)

- **marketing and promotion**; there would appear to be scope for more vigorous and joined up marketing and promotion including joint ticketing. A number of venues in Nottingham are currently investing in a very sophisticated ticketing system (Tessitura) which comprises tools for marketing, ticketing, fund raising and much more. It was originally developed by the Metropolitan Opera for its own uses and is now commercialised internationally; the system is already used independently by Royal & Derngate

- the size of additional **revenue streams** flowing from ancillary activities such as bar, restaurant and franchising. Some of the venues are generating a significant and increasing revenue stream from their add on services while others are struggling due to a variety of reasons including insufficient staff resources devoted to this activity or issues concerning the building infrastructure

- increasing access to **cinema exhibition** through the number and size of screens; Broadway's four screens allow it to show blockbuster films as well as more niche and specialist programmes in parallel; QUAD's two screens give fewer opportunities for such cross-subsidisation.

45. The development of the **visitor economy** is closely linked with the quality of marketing and promotion undertaken by the venues individually as well as at regional or sub-regional configurations. Feed-back from stakeholder consultations highlights that there might well be scope to increase marketing and promotion to people outside the region. While there is a realisation that the eight projects are very different and all have their own specific target markets, given the sizeable investment undertaken at the regional level, there appears to be scope to promote the East Midlands as a cultural visitor destination. There is general appreciation that the East Midlands does not have a clearly and/or easily defined tourism profile and therefore it is not immediately obvious whether such promotion should be organised at the regional level or in closer cooperation between the county-based tourism destination partnerships. Despite some uncertainty about how to do it, there is nevertheless general appetite to explore different approaches.

Capital project management

46. Not surprisingly for capital projects of this nature, all projects encountered a certain degree of overspend and delay. Some of these problems have been much more pronounced than others; the Peepul Centre overspent its capital funding by about £4m, Nottingham Contemporary by about £7m and the Curve by about £30m. Some of the venues opened with delays such as Nottingham Contemporary which was due to open during 2008 and eventually opened in November 2009.

47. Many of these problems were due to technical difficulties in implementing iconic design and/or coping with difficult site conditions and as such may be par for the course in ambitious building projects. However, it appears that all the building projects had to go through their own crisis management processes and there was relatively little cross-cutting and generic help. In any future new portfolio of projects, it might make sense to consider providing some central capital project management.

48. Indeed, capital project management processes and risk attribution varied between projects; some were entirely within the responsibility of the venue, some where within the local authority partner and others had sub-contracted separate project management. On balance, it would appear that a consistent process with subcontracted project management and pre-determined risk allocation could have addressed some of the technical problems and the resulting cost overspend.

Sustainability management

49. All venues have their own business models and are aiming to achieve their own sustainability levels. Given the severity of the recession, some have successfully applied for Arts Council sustainability funding.

50. There would appear to have been merit in having a closer alignment between the capital projects, business models and sustainability considerations. This issue is less urgent for the existing initiatives (Broadway, Royal & Derngate) and more pressing for the new ones who have no experience base to guide them through difficult times. This is a role which to some extent is being played by Cultivate which is working with regional arts organisations on audience development and sustainable business models but it may be that the scale and scope of the capital projects required more hands-on and practical assistance.

1: Introduction

1.1 This report presents, discusses and interprets interim evidence of the economic, social and cultural impacts of capital spending on eight major cultural infrastructure projects in the East Midlands. The project was commissioned jointly by the East Midlands Development Agency (*emda*) and the Arts Council for the East Midlands in February 2009 under *emda*'s evaluation framework. It was completed in August 2010 and there are plans to make this a longitudinal assessment by undertaking another round of impact explorations in two to three years' time.

1.2 The project was led by SQW Consulting (SQW) in partnership with BOP Consulting. Some of the fieldwork (audience and business surveys) was undertaken by QA Research.

1.3 The project was overseen by a Steering Group with the following organisations and members:

- Regeneration East Midlands: Hazel Mitchell (Project Manager)
- *emda*: Miles Burger and Noël James
- Arts Council England (East Midlands): David Brownlee (until August 2009) and subsequently Rob Wadsworth.

Project background

1.4 Over the past few years investment of approximately £120m has been made in cultural infrastructure by a number of regional partners led by *emda* and the Arts Council East Midlands. This represents a major capital development programme for the arts in the East Midlands region and is was undertaken on the basis of a shared understanding of the potential for arts and culture to achieve a wide range of economic, cultural and social objectives.

1.5 The Arts Council strategy under the Arts Capital Programme was to increase the quality of arts venues and media centres across the region, improving access for communities and facilities for the region's creative and cultural industries. The venues funded in the East Midlands are:

- **Broadway** (Nottingham), an Art House Cinema which was endowed with extra screens and bar & café facilities re-opened in October 2006)
- **Curve**, a new theatre built in the Cultural Quarter in Leicester (opened in November 2008)
- The **Level Centre**, the home of First Movement in Rowsley in rural Derbyshire, a purpose built facility for dance and creativity, particularly for people with special needs (opened in September 2008)
- **New Art Exchange** (Nottingham), a gallery and arts centre in the Hyson Green area of Nottingham (opened in September 2008)

- **Nottingham Contemporary**, a new gallery for the visual arts (opened in November 2009)
- The **Peepul Centre**, a community arts and leisure complex in the Belgrave area of Leicester (opened in 2005)
- **Quad**, a centre for arts and film in Derby (opened in September 2008)
- The **Royal & Derngate** (Northampton), a project which physically joins two separate theatres (the Royal and the Derngate) into one building with shared entrance and foyer areas and additional facilities (opened in 2006).

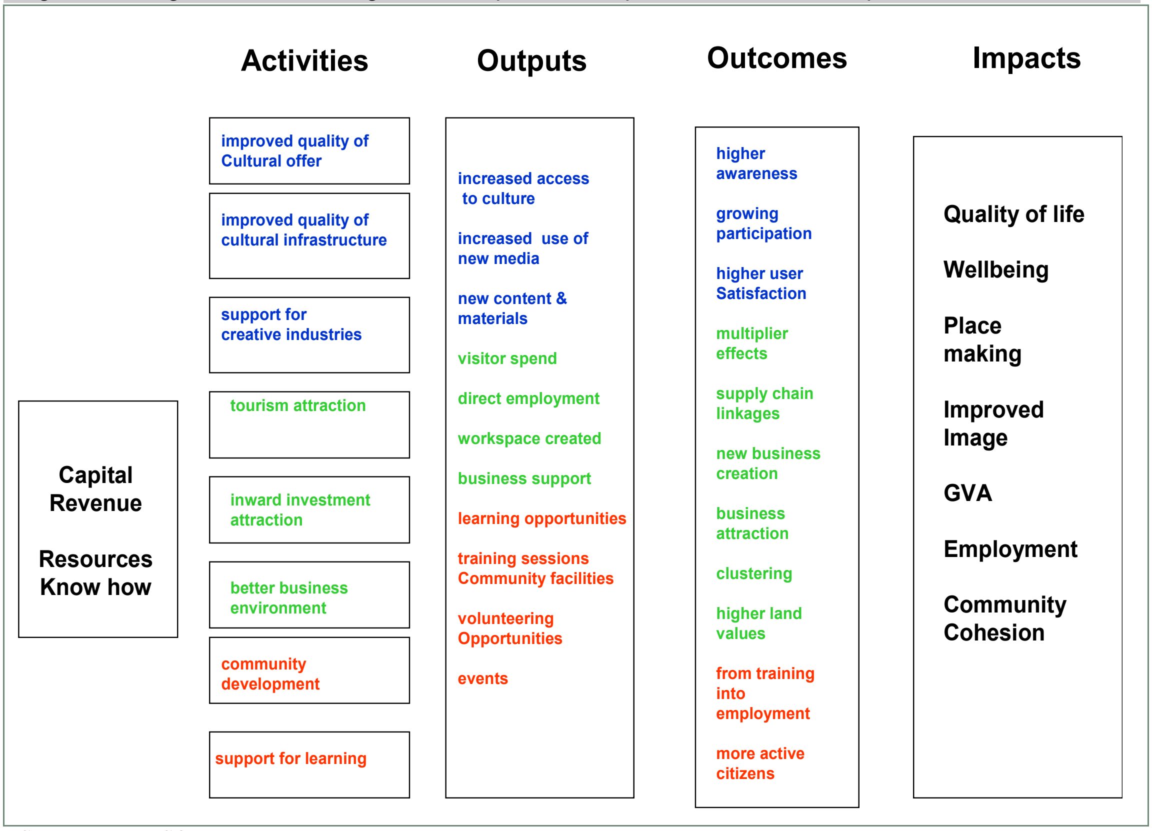
The evaluation project

1.6 Significant investment has been made in these venues by a number of partners including *emda* and the Arts Council and there is therefore strong interest on part of a range of organisations to understand the range of impacts stemming from these projects individually and as a whole.

1.7 In 2006, ECOTEC was commissioned to undertake stakeholder consultations and develop and evaluation framework based on a logic chain of economic, social and cultural impacts. Our work builds on this project as its starting point, developing and shaping the methodology in light of achievements of the eight projects.

1.8 The logic chain for cultural (blue), economic (green) and social and educational (red) impacts is presented in Figure 1-1 below.

Figure 1-1: Logic chain translating cultural capital into outputs, outcomes and impacts



Source: Ecotec; SQW

1.9 Behind this theory of change – leading from investment in cultural infrastructures to better places to live, work, play, learn and visit - is a wide range of causalities and mechanisms which research has indicated includes the following:

- culture is inspiring for **people** of all ages and background; it unlocks energies and overcomes barriers to engagement; opportunities come from direct employment, volunteering, professional and amateur cultural activities and the enjoyment from partaking in cultural events and opportunities
- places rich in culture tend to attract **talent** at all levels: artists, cultural leaders and people who see arts and culture activities as a necessary ingredient for their leisure time – and would not consider moving to an area without a satisfactory cultural offer
- **businesses** benefit from direct spending due to an increased visitor economy, supplier linkages with the cultural venues themselves and ease of recruitment of valued staff. Attracting inward investment is supported by a varied cultural offer
- **creative economy businesses** benefit from a higher level of activities in the creative sector, leading to new company formation and expansion of existing businesses
- **iconic architecture** creates visibility, image and pride of place which in turn helps to retain and attract people and businesses

- **property values** tend to be influenced by proximity to successful cultural venues and once a virtuous circle is set in motion, success creates more success and extends to increasing radiuses around the venues
- the image benefits of places rich in culture rub off on everybody and a rich cultural offer leads to **pride of place and more cohesive communities.**

Methodology

1.10 Our methodology was designed to test this theory of change and capture a comprehensive range of economic, cultural and social impacts. The methodology was discussed and agreed by the Steering Group and consisted of the following components:

- initial **visits** to all eight venues to explore the scope of the evaluation and their interests in being part of it; the initial visits were followed up with ongoing communication on the process of the evaluation
- analysis of a wide range of **data and reports** which are regularly submitted by the venues to the Arts Council and *emda*
- an **audience survey** (360 completed responses) to gauge audience feed-back and characteristics of audiences; all venues with the exception of the Level Centre and Nottingham Contemporary took part in the audience survey; the Level Centre is not really an “audience facing” venue and it was therefore seen to be inappropriate to include it in this survey; Nottingham Contemporary had not opened at the time of the main fieldwork phase and therefore could not be included either
- a survey of **businesses** (420 completed responses) within the catchment areas of the arts venues to understand the extent to which there had been a direct impact on the business through increased sales directly related to the venues and the extent to which there had been indirect impacts due to an improvement in the business environment and the resulting benefits on recruitment, turnover and growth prospects
- a survey of **residents** to gauge perceptions of the impacts of the venues on the living environment was initially considered as part of the methodology but in the end both sampling and mode of interviewing was considered to be too complex and this type of survey was excluded
- the survey of residents was replaced by a programme of **focus groups** of beneficiaries. Venues helped us to organise two focus groups each with a range of people who had benefitted from arts or educational programmes organised by the venues. Focus groups were followed up with a short e-mail questionnaire sent to those participants who had access to the internet
- a programme of **consultations with wider stakeholders**. These were nominated by the venues themselves as well as by members of the Steering Group. The aim was to have a good spread of feed-back from the regional, sub-regional and local level

- a series of **dissemination workshops** with representatives from the venues and interested stakeholder groups.

1.11 Underlying the methodology was an appreciation of three issues:

- investment in the portfolio of capital projects was **recent**; some of them had only opened towards the end of 2008 and one only opened in November 2009; the was a concern that care needed to be taken to identify emerging impacts and to understand that the full picture would only emerge over a longer period of time
- all eight projects are very **different in a range of aspects** including scale, community orientation and art form. They include visual arts galleries, theatres, cinemas and general arts centres each of which attract different audiences, relate to different neighbourhoods and have different aspirations and ambitions. This report tries to tease out generic findings but is respectful of the variety of approaches
- the opening of the eight projects coincides with one of the most **severe recessions** the UK has experienced for more than ten years, impacting on consumer expenditure on arts and culture (which at the end of the day is discretionary spending) and property developments that may have been sparked by the opening of some of the venues has been dampened accordingly. Therefore, the economic impacts resulting from the venue openings may not have been experienced at their fullest level and time will bring about further impacts.

Report structure

1.12 The report is structured into five chapters. Following on from this introduction, chapter 2 provides context on the East Midlands, its cultural landscape and brief cameo pictures of the eight capital projects. Chapter 3 summarises the findings from the various strands of analysis. Chapter 4 presents the evidence on economic, social and cultural impacts at a regional level, disaggregated by sub-region and in summary for the eight projects. Chapter 5 contains conclusions and recommendations.

1.13 Supporting information is presented in five annexes: A: venue summaries; B: analysis of Arts Council Annual Submission Data; C: audience survey findings; D: business survey findings; E: local and regional cultural data; F: list of wider stakeholders consulted.

Acknowledgement

1.14 In undertaking this work, we have benefitted from the interest and enthusiasm of a large number of people; most importantly, we would like to thank the leaders and representatives of the eight projects for their time in briefing us, agreeing to and helping us with the fieldwork. Our thanks are also due to those taking part in the wider stakeholder consultations, the surveys of businesses and audiences and the focus group participants. We would also like to thank the members of the Steering Group for their guidance and support in completing this project.

2: Context

The East Midlands

2.1 The East Midlands has a relatively small population (4.4 million, or 8.6% of the total English population), but has experienced significant population growth in recent years.[3] The region is expected to become a major growth hub and is projected to experience the fastest rate of growth in the number of households of the nine English regions between 2006 and 2016, at a rate of 15.6% compared to 12% nationally.

2.2 The East Midlands currently benefits from an advantageous geographical location at the heart of the UK with strong links to London and the south east and to the northern regions. The region has a complex structure, with no single dominant centre but contains the growing urban centres of Nottingham, Derby and Leicester. This 'Three Cities' sub-area (Nottingham, Derby, Leicester and their surrounding areas) contains almost half the population and 45% of the region's businesses are in this area. Although the region has relatively high levels of employment and relatively high levels of economic growth, it still performs less well than the UK average on productivity and faces particular challenges in raising skill levels to enhance economic performance.

2.3 Whilst the East Midlands has experienced relatively strong economic growth over the last decade, the current recession has had a large negative effect on many industries that are more significant to the East Midlands economy than nationally in particular construction and manufacturing.

Regional arts and culture context

2.4 At the national policy level the government's approach to embedding creativity and culture at the heart of policies in education, economic development and social cohesion is articulated in the Creative Britain (2008) report:

> *Britain is a creative country and our creative industries are increasingly vital to the UK. Two million people are employed in creative jobs and the sector contributes £60 billion a year – 7.3 per cent – to the British economy. Over the past decade, the creative sector has grown at twice the rate of the economy as a whole and is well placed for continued growth as demand for creative content – particularly in English – grows.*[4]

2.5 The report highlights the role culture and creative industries can play in local and regional regeneration. The creative sector is seen to play a growing role in local economic development and as a tool to improve the quality of life and sense of pride in their town or region. Creative Britain envisions a Britain in ten years' time where the local and regional economies are driven by creativity and culture, where there is a much expanded range of

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[4] Department for Culture, Media Sport, 2008, Creative Britain, pp 06 Retrieved 22nd December 2009 http://www.culture.gov.uk/images/publications/CEPFeb2008.pdf

creative job opportunities in every region and successful creative businesses providing prosperity and fulfilling job opportunities right across the country.

2.6 In terms of the regional policy context, the East Midlands Regional Economic Strategy, 2006-2020[5] acknowledges the importance of culture to the region's economic development, alongside a range of other drivers. Culture is seen as important in facilitating investment and growth within the region but also as a means of retaining skilled workers, investors, graduates and young people in the region. Key challenges identified in the RES include the need to build on the region's cultural, sporting and tourism strengths. Cultural and tourism assets are identified as a large and growing part of the region's economic offer and the potential to build on these strengths is recognised.

2.7 Culture East Midlands (CEM) published its five year strategic plan[6] for the future of arts and culture in the region in 2006. The strategy sets out that by 2011, the East Midlands will be a region 'where people choose to live and visit, because of the distinctive places and the cultural life it offers…a place where cultural and creative people, as well as organisations, can thrive and grow…a region where more people choose to take part in cultural activities.'

2.8 CEM estimate that one in ten jobs in the region are within the culture sector (approximately 212,000 jobs) encompassing 25,000 businesses with a total value of £3.69 billion. The arts sector alone is estimated to support 40,000 of these jobs.

2.9 The strategy aims to strengthen culture in the East Midlands through four key themes:

- supporting cultural opportunities for people and communities
- fulfilling the potential of culture in regional opportunities and in national policies and programmes
- getting culture valued in regional policy and planning
- achieving sector sustainability.

Satisfaction and engagement with the arts

2.10 In terms of engagement with the arts, evidence from Active People and the Place Survey suggests that the region has levels of satisfaction and engagement with the arts somewhat lower than national averages.[7]

Table 2-1: Regional baselines 2008

	East Midlands	**England**
Very or fairly satisfied with … museums and galleries	37.7	41.5
Very or fairly satisfied with … theatres and concert halls	42.4	43.2
NI 11 – Engaged in the arts at least 3 times in the last 12 months	43.7	45.2

[5] *emda*, 2006, A Flourishing Region – Regional Economic Strategy for the East Midlands 2006-2020.
[6] East Midlands Cultural Observatory, 2006, The Cultural Strategy for the East Midlands 2006-2011. www.gnpartnership.org.uk.
[7] Local and regional data sources on artistic/cultural engagement with the arts are explored further in the annexes

2.11 Engagement with arts/culture will be enhanced through the Cultural Olympiad Festival which is running for four years from the end of the Beijing Games until the closing ceremony of the Paralympic Games and is celebrating the UK's diversity and rich cultural heritage. During this period, the East Midlands will develop and host a number of collaborative cultural and artistic experiences to promote participation.

Cultural capital developments

Derby and Derbyshire

2.12 There are two very different projects in this sub-region: QUAD and First Movement/the Level centre.

2.13 QUAD opened in September 2008. It combined the activities of two established arts organisations in Derby, Q Arts and Metro Cinema. QUAD's cultural offer combines the offerings of its two predecessors, with gallery and cinema space. The two screen cinema offers both art house and mainstream films.

2.14 QUAD's iconic building was designed by architects Fielden Clegg Bradley at a cost of £9.8m (see Figure 2-1). It is located next to the historic Guildhall Market in Derby's Cathedral Quarter, It houses a large environmentally controlled exhibition space, two cinemas, education facilities, a café and informal exhibition spaces. It is also home to the first BFI Mediatheque outside London.

Figure 2-1: QUAD

Source: QUAD

2.15 First Movement is an organisation dedicated to developing high quality arts projects with learning disabled people. It creates opportunities with adults with severe and profound learning disabilities to work together to develop and promote their creativity through the arts.

The project itself has arisen out of direct work with disabled artists. First Movement was founded as a registered charity by its current Chief Executive Peter Shelton and has been based in the Derbyshire Dales for over 20 years. Prior to being located at the Level centre in Rowsley, First Movement was located in nearby Matlock.

2.16 The Level Centre offers state of the art new facilities, studio space and meeting rooms for creative industry organisations. The total investment was £2m. The Level centre has enabled First Movement to extend its range of activities including running more sessions in parallel and enabling sound and video activities which were not previously possible.

Figure 2-2: The Level Centre, home of First Movement in Rowsley, rural Derbyshire

Source: First Movement

Leicester

2.17 Curve and the Peepul Centre are the two Leicester projects.

2.18 Curve, a state of the art new theatre, was designed by Rafael Viñoli and is based in Leicester's new Cultural Quarter which also includes a workshop scheme for creative businesses (LCB depot) and the new Phoenix Square mixed use cinema. At £62m (more than double the original cost estimate), it is the most expensive of the suite of project. It is the new home of the former Haymarket theatre and is also providing a home for small-scale work seen previously at the Phoenix Arts centre. The theatre opened to the public in December 2008.

2.19 Curve's cultural offering is greatly expanded compared with the Haymarket as the geography and size of the building offers more scope for experimentation.

Figure 2-3: Curve

Source: Curve

2.20 The Peepul Centre was conceived by its founder Rita Patel as a national flagship project combining the concept of a community centre arts venue, education facility, health centre and leisure complex into one. It is located in the Belgrave district of Leicester, an area with high levels of deprivation. The project's routes are in the Belgrave Baheno movement which worked with women, predominantly from South Asia on a wide range of issues including health and child care.

2.21 The total investment for the centre was £18.6m. The Centre has encountered sustainability issues and in 2007 was acquired by LHA-ASRA Housing Group.

Figure 2-4: The Peepul Centre

Source: The Peepul Centre

Northamptonshire sub-region

2.22 Royal & Derngate Theatres was formed in October 1999 to manage the Royal Theatre and the Derngate as one combined organisation. Before 1999, although both theatres are on adjacent sites and had some physical links front of house, they were managed by separate charitable trusts. However, following separate applications for Lottery funding, Arts Council England suggested that a joint application might be received more favourably and as part of this process, the organisations merged. The two pre-existing auditoria are now joined by extensive additional front and back of house facilities including Underground, a creativity home for the Youth theatre and a wide range of workshops and projects for the local community as well as a new studio theatre. The total capital cost was around £15.75m. There is also a major involvement of the University of Northampton which offers new taught courses in conjunction with the theatres. Royal & Derngate Theatres have expanded the cultural offer through complementary joint programming and marketing and a determined concentration on quality at all levels.

Figure 2-5: Royal & Derngate Theatres

Source: Josephine Burns

Nottinghamshire sub-region

2.23 There are three projects in the Nottinghamshire sub-region. **Broadway** is a cinema and media centre located on Broad Street in the centre of the Lace market. Broadway's routes go back to the 1950s when it started as a Nottingham Regional Film Theatre. The current media centre was borne out of a consortium of local and national media organisations (Nottingham Media Consortium) which included East Midlands Arts, the BFI, Nottingham City Council and Nottinghamshire County Council. With the help of the consortium members, the building was bought and ownership vested into Nottingham Media Centre which opened officially in 1990.

Since the early 1990s, there have been three tranches of capital funding to support the development of the venue. Broadway's £5.7m capital development was completed in October 2006. It added two new cinema screens, new digital projection equipment, some studio space for education and exhibition work and a suite of new offices to house film and media companies. Figure 2-6 shows Broadway's new façade.

Figure 2-6: Broadway's new façade after the completion of the capital programme

Source: Broadway Archives

2.24 New Art Exchange (NAE) is a showcase for African, Caribbean and South Asian Art. It is located in Hyson Green, a neighbourhood in the north west of Nottingham which has suffered from severe economic deprivation and it is associated with being a catalyst in the regeneration of its surrounding area.

2.25 NAE was formed as a new organisation in September 2003 as a partnership between APNA Arts East Midlands and East Midlands African Caribbean Arts (EMACA) Visual Arts. APNA Arts focuses on South Asian arts and played a key role in the development of the Nottingham Mela. EMACA Visual Arts supports the development of artists of African/Caribbean origins. From April 2006, Arts Council funding for these two separate organisations ceased and was replaced by a consolidated grant to NAE which in turn was successful in bidding for capital funding to develop New Art Exchange as a new visual arts facility.

2.26 The iconic NAE building (see Figure 2-7) designed by architects Hawkins Brown opened to the public in April 2008. It includes a gallery, studio, rehearsal, performance and workshop spaces along with resources, business start-up and café facilities. It has since received a number of architectural awards including most recently Winner of RIBA National Award 2009 and Winner of East Midlands Award 2009.

Figure 2-7: New Art Exchange (NAE)

Source: New Art Exchange

2.27 Nottingham Contemporary (see Figure 2-8) is a visual arts facility opened to the public in November 2009 and created a big splash in the regional and national media with its inaugural Hockney Exhibition. The project originates from the mid 1990s when a need was identified for an organisation that developed and presented contemporary art work in Nottingham.

2.28 The gallery sits on a corner site at the edge of the city centre at the edge of the Lace Market. It is designed by architects Caruso St John, clad in a series of undulating green concrete panels indented with a subtle lace patter. It is a multifunctional arts space which includes a performance area.

Figure 2-8: Nottingham Contemporary

Source: photo by Andy Taylor Smith

3: Summary of fieldwork results

3.1 This chapter reports separately on the main strands of our methodology, in particular the data analysis, the audience survey, business survey and focus groups.

Data analysis[8]

3.2 All eight venues in the evaluation are Arts Council England (ACE) Regularly Funded Organisations (RFOs). Some of the organisations operating the buildings which received capital funding support are new and have been created as part of mergers of other organisations while others were in existence before.

3.3 All RFOs make annual submissions to ACE that sets out for the previous year, inter alia:

- employment data including staff, volunteers, work placements, etc
- financial data including detailed income and expenditure breakdowns
- activity data including numbers and types of performances, films, exhibitions and skills / education / community programmes – and the numbers of attendees and participants benefiting from each.

3.4 The RFO annual submission data provide one of the key quantitative data source for *inputs* (resources, know-how) and *outputs* (access to culture, training sessions, volunteering, and so on) for each venue – constituting a vital part of the framework / logic chain for the evaluation.

3.5 By examining the changes in inputs and outputs, we are able to gain insight into the *outcomes* and *impacts* of the investment in each venue (such as increased cultural participation, social inclusion and community cohesion) and across the cultural capital investment programme.

Capital programme inputs and outputs

3.6 To identify the 'big picture' of inputs and outputs from the capital programme as a whole, we have added up the data for all eight venues on nine key inputs and outputs contained within the annual submission for 2002/03 through to 2008/09 and beyond.

3.7 Key inputs include employment *(*permanent and contractual staff), funding and investment; key outputs will include total performances, exhibitions and film screenings, attendance figures and educational and wider social outputs including volunteering opportunities. While both attendance at exhibitions/performances/films and education/participation/outreach events have increased from 2005/05 to 2008/09, care needs to be taken to separate out the outcomes (and resulting impacts) stemming from the additional capital programme from outcomes (and impacts) that would have been achieved anyway, ie without the capital investment.

[8] The full data analysis is presented in the annex section

Employment

3.8 The number of permanent and contractual staff has increased at all organisations from 389 in 2005/06 to 873 in 2008/09, an increase of 484 posts. This suggests that each organisation has grown significantly since the capital works programme and all have subsequently increased the number of staff required to deliver their artistic and educational programmes.

3.9 The number of individuals volunteering at the organisations declined from 504 in 2005/06 to 214 in 2008/09. However, when unpacking these numbers it needs to be taken into account that there was an outlier as one of the centres alone recorded 332 volunteers in relationship with a special event; if we discount this figure, the number of volunteers increased slightly from 172 in 2005/06 to 214 in 2008/09.

Investment

3.10 Financial outputs from the annual submission forms from 2005/06 to 2008/09 suggest that RFOs are becoming more economically sustainable as earned income has risen relative to total expenditure. Total earned income has increased from £2,118,027 in 2005/06 to £12,287,580 in 2008/09 and over the same period total expenditure has increased from £6,529,579 to £21,100,073. As a result, while earned income contributed 32% of total expenditure in 2005/06, by 2008/09 earned income had contributed 58% of total expenditure.

3.11 The rise in expenditure is to be expected given that all RFOs have either upgraded existing facilities or have new buildings to operate. Importantly, following the current trend it is likely that organisations will increase the proportion of their earned income relative to their total expenditure and become increasingly self-sustainable financially, further levering the positive impacts of the capital investment well into the future.

Attendance

3.12 In terms of key programme level outputs, total attendance at performances, exhibition and film events has increased dramatically (by 350%) from 195,180 in 2005/06 to 876,668 in 2008/09. This represents a considerable increase in engagement with arts and cultural activities in the region over the four year period when capital works were taking place.

Venue Capacity

3.13 The capacity of venues has also increased as a result of cultural capital investment with the development of five new venues (Curve, First Movement, Nottingham Contemporary, New Art Exchange Peepul Centre, Quad) and the upgrading of two new venues (Broadway and Royal & Derngate). Venue capacity has increased by 11% from 3,392 to 3,767 since the completion of capital works for those venues with a measurable number of seats (ie cinemas and theatres).

3.14 Audience figures have increased at a slower rate than capacity since the completion of capital works. Audience figures have risen by 5% from 611,684 to 642,643 since the completion of capital works for theatres and cinemas funded as part of the cultural capital programme.[9]This evidence suggests there is further potential for venues to develop audiences and encourage take-up of the additional capacity created as a result of the cultural capital programme.

Engagement and participation

3.15 Across the portfolio of cultural capital investments organisations deliver a range of educational, vocational training and outreach programmes. Attendance at these events increased by 14% from 33,553 in 2005/06 to 38,261 in 2008/09. 2007/08 recorded the highest number of attendees with 50,124 individuals involved in learning, skills, engagement and participation programmes across all venues.

Audience survey

3.16 A survey of visitors was undertaken at six of the eight venues included in the evaluation. The visitor survey was not undertaken with Nottingham Contemporary (which was yet to open at the time the survey was delivered) and First Movement in rural Derbyshire (which is not open to the general public and does not have a regular inflow of visitors as with other venues).

3.17 A total of 60 visitor surveys were completed at each venue and each survey took approximately 10 minutes to complete. The survey took place over a period of four interview days encompassing a range of morning, afternoon and evening sessions (including both weekdays and weekends) to coincide with times where a number of visitors would be present in the venue. Visitors were sampled randomly.

3.18 The objective of the survey was to understand the economic, social and cultural impacts of cultural capital investment on “users” of the venues. Questions examined the motivations for choosing to attend the venue, frequency of visits, wider engagement in arts and cultural facilities, and levels of satisfaction with the “cultural offer”.

3.19 The analysis of results is presented at the programme level drawing upon the summed totals for each venue in order to understand the regional impact of cultural capital investment. At the sub-regional scale, findings for Derby, Leicester. Nottingham and Northampton are also discussed. Each question is analysed according to the order in which it appeared in the survey.

Visitor profile

3.20 In order to understand the profile of visitors to arts and cultural facilities in the East Midlands funded as part of the capital programme respondents were asked a series of profiling questions about their age, gender, ethnicity, occupation and whether they are a resident in the city/town where the venue is located.

3.21 In terms of gender, 224 respondents were female and 163 were male; in terms of ethnicity, a total of 80% (311) of visitors were white and 20% (75) were of black and minority ethnic. We see this high representation of ethnic minority groups (above the regional average of 9%) as a reflection of the particular focus of two venues on promoting black and minority ethnic

[9] Audience figures before capital works are for the last full year of operation at the venue prior to refurbishment or closure.

engagement in the arts (Peepul Centre and New Art Exchange). For instance, when examining the ethnicity of respondents by venue 78% (49) of attendees at the Peepul Centre and 21% (9) at New Art Exchange were from Black and Minority Ethnic groups.

3.22 Respondents were also asked to provide details of the occupation of the head of household/chief wage earner. Responses were subsequently categorised into social grade using the National Readership Survey (NRS) definition. At the regional scale 70% (172) visitors to the six venues can be categorised as either B or C1 social grade (middle or lower middle class). This trend was broadly reflected at the sub-regional scale with middle class cultural "consumers" comprising the highest proportion of visitors to venues in Derby, Leicester, Nottingham and Northampton. The exception was with respect to visitors to the Peepul Centre which included a far higher proportion of individuals from social grades C2, D and E. The Belgrave area of Leicester in which the Peepul Centre is located adjoins wards that are in the bottom 20% as defined in the Index Multiple Deprivation.

3.23 A total of 39% (151) of respondents indicated that they were not residents of the city or town (defined broadly and not necessarily following close local authority borders) in which the venue was located. This indicates that the venues have been successful in attracting visitors to the venue from outside the localities in which they are located. This trend was particularly high for Northampton and Derby where 48% (31) and 58% (45) of visitors came to the venues from outside the town/city.

Frequency of visit

3.24 Respondents were asked how frequently they visit the venue now and how frequently they visited the same venue about a year ago. At the regional level at total of 27% (103) of respondents currently visit arts and cultural facilities once every 2-3 months. A further 19% (72) were visiting for the first time and 17% (67) visiting 2-3 times a week. The range of responses is to a degree reflective of cultural consumption trends for different types of venues within the portfolio of cultural capital projects. For example, approximately a quarter of visitors to arts cinemas (QUAD, Broadway) currently visit the venues around at least once a week whereas visitors to theatres (Curve, Royal & Derngate) are more likely to attend performances every 2-3 months.

3.25 Furthermore, a comparison of visitor trends for 'new' venues (Curve, Quad, New Art Exchange, Peepul Centre, Curve) versus established venues (Broadway and Royal & Derngate) shows that respondents attend newer venues more frequently. A total of 33% (89) of respondents for new venues visit at least once week compared to 22% (32) for established venues.

3.26 There was an increase in the frequency of visits to arts and cultural facilities when comparing visitor trends this year against the previous year. At the time of being interviewed, a total of 48% (188) of respondents reported visiting the venue at least once a month compared to 32% (120) visiting the venue at least once a month a year ago. There was a corresponding decline in the number of first time visitors to the venue from 29% (112) in 2008 to 19% (72) in 2009, suggesting a rise in the number of repeat visits.

3.27 In terms of current visitor trends, men were higher frequency visitors to the venues than women with 25% (41) of men visiting at least 2-3 times per week compared to 12% (26) for women respondents. Also, younger people tended to be more high frequency visitors to the venues when compared to older people. For example, 38% (14) of 20-24 year olds visit the venues at 2-3 times a week compared to 4% (2) for 55-64 year olds.

Awareness of venue

3.28 Respondents were asked how they first heard about activities at the venue they visited. The majority of respondents (45%) first heard about activities at the venue from "another source". The most common forms of response were that individuals had "passed by" the venue before or lived locally and where therefore familiar with the venue's development.

3.29 A further 41% (157) of respondents heard about the venues through word of mouth and a further 19% (72) had heard about venue activities from the venue brochure or website. These trends were broadly similar across all venues except in Northampton where 44% (33) of respondents first heard about the venue as a result of the programme booklet.

Reasons for choosing the venue

3.30 A range of reasons were provided by respondents as to why they chose to visit the venue over other arts and cultural venues. A total of 40% (156) of respondents chose to visit the venue due to the uniqueness of the "cultural offer" citing that the film/exhibition/performance provided at the venue was not available elsewhere. The quality of the bar/café/restaurant (24%), proximity to home (23%), value for money (17%) and friendly atmosphere/staff (17%) were also cited as motivations for attending the venue.

3.31 The uniqueness of the cultural offer was cited as a particular important factor for attending 'established' venues (Broadway and Royal & Derngate). A total of 58% (85) of respondents cited the importance of the cultural offer as motivation for attending compared to 30% (70) for new venues.

3.32 In terms of the sub-regional context the uniqueness of the cultural offer for venues in Nottingham was an especially important motivation for why respondents chose to visit the venue. A total of 65% (73) of respondents cited the fact that film/exhibition/performance was not available elsewhere as the main reason for choosing venues in Nottingham. For more community-focused arts initiatives (New Art Exchange and Peepul Centre) proximity to home and value for money were cited as important reasons for choosing the venue. For example, 50% (31) of visitors to the Peepul Centre cited value for money as the most important reason for visiting the venue over other venues. This finding resonates with the social grade profile of visitors to the centre.

Use of the venue

3.33 In order to examine how different types of venues are used, respondents were asked which facilities at the venue they make use of now and which facilities they made use of one year ago. Visitors across the region currently make use of a range of facilities at the venues including the bar (35%), café/restaurant (70%) and performance spaces (43%).

3.34 A total of 43% (167) of visitors surveyed had not used any facilities at the venue one year ago indicating that the venues have attracted a number of first time visitors over the past 12 months in the period after the majority of capital works were completed.

Cultural impact

3.35 Respondents were asked to rate on a scale of 1 to 5 (whereby 1 is equal to very negative and 5 very positive) the impact the venue has had on the quality of the arts and cultural facilities on offer in the town/city where the venue is located. Overall, 83% (322) of respondents thought that the venue had a positive or very positive impact on the quality of the arts and cultural facilities on offer in the city. Furthermore, the majority of visitors surveyed (59%) indicated the venue had a very positive impact on the quality of the "cultural offer".

3.36 At the sub-regional scale, visitors to venues in Derby, Leicester, Nottingham and Northampton were all overwhelmingly positive about the impact of the venues on the quality of the arts and cultural facilities in the town/city.

3.37 Respondents were also asked to comment on the extent to which the venue had encouraged wider engagement in the arts and encouraged them to participate in other artistic and cultural activities in their local area. Specifically, respondents were asked whether the venue:

- helped them be more comfortable with the arts
- encouraged them to make use of other cultural activities in the area
- encouraged them to engage in the arts themselves.

3.38 Firstly, a total of 54% (206) of respondents either agreed or strongly agreed that the venue had encouraged them to be more comfortable with the arts. Visitors in Leicester responded particularly positively to this question with 68% (90) of respondents either agreeing or strongly agreeing with the statement.

3.39 Secondly, there was a divided response as to whether the venue had encouraged wider engagement in cultural activities in the area. While 45% (173) of respondents agreed or strongly agreed that the venue had encouraged wider cultural engagement 33% (129) of respondents either disagreed or strongly disagreed. The varied nature of responses was also reflected in visitor responses when analysed at the sub-regional scale.

3.40 Thirdly, there was mixed evidence as to whether the venue had encouraged respondents to engage in arts activities or to develop new skills with a broadly even number of respondents either agreeing or disagreeing with the statement. The exception to this was visitors to venues in Leicester where 48% (64) of respondents either agreed or strongly agreed that the venue had encouraged them to engage in arts activities or to develop new skills.

3.41 Respondents were also asked whether the venue had enhanced peoples' sense of pride in the city. A total of 76% (197) of respondents either agreed or strongly agreed that the venue had enhanced people's sense of pride in the city. This finding was mirrored at the sub-regional scale whereby at least 70% of respondents in Derby, Leicester, Nottingham and Northampton agreed that the venue had improved their sense of civic pride.

3.42 A total of 70% (272) of respondents also either agreed or strongly agreed that the venue has attracted people from further afield to the city. This trend was reflected at the sub-regional scale except for visitors to Nottingham venues whereby 40% (44) of respondents were either unsure or had no opinion whether the venue had attracted visitors from further afield.

Economic impact

3.43 In order to understand the potential multiplier effects that cultural capital investment has at the regional and sub-regional scale respondents were asked if they have done, or were likely to do any additional activities in the local area as part of their visit to the venue. A total of 45% (173) visited local shops, 21% (81) visited a local restaurant and 14% (54) went to a local pub or bar. These trends were broadly similar for all venues except Peepul Centre where 79% (50) of respondents reported doing none of the listed activities as part of their visit to the venue.

3.44 This evidence suggests that the majority of visitors to the venues contribute to the local economy through their spending in the retail and hospital industries. Despite this positive finding, only 2% (6) of respondents reported staying in a local hotel as part of their visit to the venue. Furthermore, 41% (159) of respondents did none of the above activities as part of their visit to the venue at the regional scale.

3.45 In terms of visitor spend, the majority (61%) of visitors reported spending less than £20 during their visit to the venue and the surrounding area. At the sub-regional scale Leicester visitors spent the least during the visit to the venue and the surrounding area with 78% (104) spending less than £20. Conversely, 52% (40) of visitors to Northampton reported spending over £50 as part of their visit to the venue and the surrounding area compared to 14% (18) in Nottingham, 19% (9) in Derby and 11% (15) for Leicester.

3.46 Visitor spend was higher amongst visitors to ‘established’ venues compared to ‘new’ venues. A total of 24% (33) of visitors to established venues reported spending over £50 during their visit to the venue and the surrounding area compared to 8% (6) spending the equivalent amount at “new” venues.

Displacement

3.47 Displacement describes the proportion of outputs/outcomes that are reduced elsewhere in the target area as a result of an intervention. To understand displacement respondents were asked what alternative activity they would have done instead had they not come to visit the venue. A total of 47% (182) would have stayed at home instead, 17% (65) would have visited a pub, bar or restaurant, 9% (33) would have done an alternative entertainment activity and 17% (66) none of the above.

3.48 Importantly just 10% (40) of respondents would have gone to an alternate arts/cultural venue instead signifying the uniqueness of the cultural “offer” provided by the venues. This suggests that cultural capital in the Nottingham, Derby, Leicester and Northampton has not displaced visitors from existing venues as a result of the redevelopment or construction of new arts and cultural facilities.

Overall satisfaction

3.49 Respondents were also asked how satisfied they were with various aspects of the venue experience including quality, atmosphere, visit to the bar/cafe value for money and visit to the surrounding area. Overall visitors were highly satisfied with their visit to the venue in terms of each of the categories listed below.

Table 3-1: Levels of satisfaction

Indicator	Percentage of respondents either satisfied or very satisfied
Atmosphere of the venue	89%
Value for money	81%
Visit to bar or café	72%
Visit to the surrounding area	66%
Quality of film/exhibition/performance	62%

Source: SQW Consulting

3.50 Overall, visitors reported a high level of satisfaction with 94% (365) of visitors to the six venues either satisfied or very satisfied with their visit to the venue. These trends were reflected at the sub-regional scale where the majority of visitors to venues in Nottingham, Derby, Leicester and Northampton reported similarly high levels of satisfaction with arts and cultural facilities. Visitors to 'established' venues were particularly satisfied with the quality of the film/exhibition/performance on offer. A total of 74% (109) of visitors to 'established' venues were either satisfied or very satisfied compared to 54% (146) for 'new' venues.

3.51 In the light of the high level of satisfaction reported, 97% (376) of visitors commented that it is likely or very likely that will return to the venue for another visit in the future. This trend was mirrored at the sub-regional scale and suggests that each venue has been successful in developing a loyal customer base of arts/cultural consumers.

3.52 Furthermore, the majority of respondents stated that it would be very likely that they would recommend visiting the venue to a friend or colleague.

3.53 Finally, respondents were asked if upgrading of the building quality made it more likely for them to visit the venue again in the future. There was a mixed response to this question with 51% (195) of respondents stating the upgrading of building quality had no influence on their likelihood to visit the venue again and 49% (191) stating that it made them more likely to be return visitors. One potential reason for these diverging opinions is a lack of understanding from respondents about the capital project and its role in upgrading the arts and cultural facilities on offer in the city. Furthermore, respondents may not have been aware that while two venues were upgraded (Broadway and Royal & Derngate), the rest were completely new developments that did not exist before the cultural capital investment programme.

3.54 These findings were reflected in the sub-regional data where for example 85% (55) of QUAD visitors said the capital works had made no difference to the building quality and their likelihood to return to the venue.

Business survey

3.55 A telephone survey of businesses was undertaken for seven of the eight venues included in the evaluation to examine the impacts of cultural capital investment on the business community. The objective of the survey was to understand whether businesses interact with the venues, if the presence of the venues has impacted upon business performance to date and if it is likely to do so in the future. Questions also examined how cultural capital investment has impacted upon the attractiveness of the local area as a place to do business and the quality of the local area more generally. Telephone interviews lasted approximately ten minutes and interviews were undertaken with an appropriate person at the business with an overview of the business's operations and strategy.

3.56 The business survey was not undertaken with Nottingham Contemporary because the venue was yet to open at the time the survey was delivered. The business survey was also modified for First Movement in rural Derbyshire, with the agreement of the Steering Group, to reflect the specialist focus of First Movement and the fact the venue is not open to the general public and does not have a regular inflow of visitors as with other venues.

3.57 Businesses were sampled according to their standard industrial classification (SIC) code and their proximity to the venue. Firstly, relevant SIC codes were selected depending on whether there is a likelihood that there has been a direct and/or indirect impact on the business in terms of its marketing and its operating environment. More detail on the sampling approach is provided in the full business survey write-up in Annex D. In the first instance businesses located in postcodes adjacent to the venue were sampled and where businesses had not heard of the venue they were not interviewed. The sample was extended geographically to adjacent postcodes to the venue until a sample size of 60 businesses per venue could be met.

3.58 A total of 60 business interviews was completed for Broadway (Nottingham), Curve (Leicester), Quad (Derby), and Royal & Derngate (Northampton). Fewer completed interviews were achieved for the Peepul Centre (48 completed) in Leicester, New Art Exchange (51) in Nottingham and First Movement (9) in Derbyshire, where a smaller proportion of businesses had heard of these venues within the database. The lack of awareness about these venues can be explained by both their geographical locations and their specialist artistic/cultural focus. In terms of location, both the Peepul Centre and New Art Exchange are located in residential areas approximately 2-3 miles of the city centre while First Movement is located in rural Derbyshire. As a consequence, as the concentric circle extended to sample businesses located in adjacent postcodes further away from the venue, there was a reduced likelihood that businesses had heard about the venue. Furthermore, the focus of these organisations on specialist arts/cultural activities with either ethnic minority groups (the Peepul Centre, New Art Exchange) or adult learning disabled groups (First Movement) also appears to limit the awareness of the venues amongst the wider community.

3.59 The analysis of results is presented at the programme level, drawing upon the summed totals for each venue in order to understand the regional impact of cultural capital investment. At the sub-regional scale, findings for Derby, Leicester. Nottingham and Northampton are also discussed. Each question is analysed according to the order in which it appeared in the survey.

Awareness of the venue

3.60 Each business was asked at the beginning of the interview whether they had heard of the venue located in their local area. If businesses had not heard of the venue then they were thanked for their time and excluded from survey. Businesses who had heard of the venue were subsequently asked how they heard about the venue.

3.61 Businesses had heard about the venues from a range of sources including both proximity to the venue, word of mouth and awareness of the venue in the local media. A total of 36% (126) of businesses had heard about the venue after passing by the venue before and 26% (90) of businesses had heard about the venue after hearing about it in the local media.

3.62 These trends were broadly reflected at the sub-regional level, although subtle differences were evident when comparing results between venues. For example, 52% (31) of businesses surveyed for Curve had heard of the venue through the local media compared to 10% (6) for Broadway Media Centre. In addition, only 10% (5) of businesses surveyed for Peepul Centre had heard about the venue by passing by; this was considerably less than for other venues where between 38%-45% of respondents had heard about the venues by passing by them before.

Relationship with the venue

3.63 Evidence suggests that only 8% (31) of businesses sampled have direct business relationships with venues through supplier relationships or joint business ventures. Of these businesses, 3% (11) of businesses reported joint business ventures, 3% (12) were suppliers of goods or services and 2% (8) were suppliers of goods. A further 11% (37) of businesses reported other types of collaborations with venues although responses given did not provide any evidence of business relationship with the venue. Responses included knowing someone who works at the venue or having attended events at the venues previously as a visitor.

3.64 Although there were no radical differences to these prevailing trends at the sub-regional level, businesses sampled for Curve and Royal & Derngate were more likely to have direct contact compared to businesses sampled for other venues. A total of 19% (11) of businesses sampled for Royal & Derngate and 18% (11) of the businesses sampled for Curve reported having direct contact with these venues through supplier relationships or joint business ventures. Both venues are flagship theatre developments in prominent city centre locations containing bar and restaurant facilities and more likely to have supplier relationships compared to other venues which are of a smaller scale and located in residential or rural areas.

Impact on business operation

3.65 To examine the impact of the venue on the operation of local businesses, respondents were subsequently asked if they had made any changes to their operation since the venue had opened or re-opened in terms of extending opening hours, the introduction of promotion offers, new products or services on sale, or any other changes. A total of 95% (329) of businesses sampled reported making no changes to their business operation as a result of the venue opening/reopening. These trends were reflected at the sub-regional scale whereby between 92% and 98% of businesses for each venue reported making no changes to their business operation as a result of the venue opening/reopening.

Impact on business performance

3.66 Businesses were then asked if the opening/reopening of the venue has had any direct impact on their business performance in terms of turnover, employment, different types of customers, ease by which staff are recruited, better business location versus location of competitors and links with other businesses.

3.67 Overall, there was limited evidence to suggest that the opening/reopening of venues has impacted upon businesses sampled in Derby, Leicester, Northampton, Nottingham, and rural Derbyshire with the majority of businesses reporting no impact on the factors listed above. Only a small proportion of businesses reported a small or large increase on the factors listed above since the opening/reopening of the venue. A total of 6% (20) of businesses reported an increase in links to other businesses and 5% (15) reported that they have a more competitive business location since the opening/reopening of the venue. The impact of cultural capital investment has had a limited direct impact to date on business performance with only 4% (16) businesses reporting an increase in turnover since the venue opening/reopening. These trends were reflected at the sub-regional scale where no considerable difference in impact was observed in rural Derbyshire, Derby, Leicester, Northampton, and Nottingham compared to programme level findings.

3.68 In order to undertake an analysis of impacts with Impact Evaluation Framework (IEF) guidance[10], businesses were asked to quantify the impacts the venue had on their businesses in terms of turnover, increase in employment, jobs safeguarded and costs reduced.

3.69 Evidence suggests only a small number of businesses attribute improvements in business performance to the presence of the venue. Only 2.5% (9) of businesses attributed any change in turnover since the venue opened/reopened to the presence of the venue. In terms of the remaining businesses, 34% (120) of businesses reported no attribution, 46% (160) did not know and 17% (59) of businesses refused to answer.

3.70 Businesses were marginally more positive when asked about the likely impact of the venue on their business performance over the next two years. A total of 7% (23) of businesses surveyed expect their turnover to increase over the next two years. Of these businesses, six attributed between 3-10% of this forecast increased turnover to presence of the venue.

3.71 There are also limited data to suggest that the venues have impacted upon the number of employees, jobs safeguarded or costs of local businesses:

- only four businesses reported an increase in the number of full or part-time employees since the venue opened/reopened. Of these four jobs, only one job created was attributed to the venue opening/reopening by businesses sampled

[10] The Impact Evaluation Framework sets out the principles Regional Development Agencies (RDAs) must follow when conducting impact evaluations. These principles are set out in guidance by the Department for Business Innovation & Skills. The most recent guidance is summarised in BIS: RDA Evaluation: Practical Guidance on Implementing the Impact Evaluation Framework. December 2009

- only three businesses reported the number of full-time jobs safeguarded increasing since the venue opening/reopening. The attribution of the venues openings on the safeguarding of these jobs was estimated between 3-10% by the businesses
- only one business reported a decrease in costs since the venue opened while three businesses reported that costs had increased since opening.

3.72 Over 95% of businesses expected the number of full-time and part-time jobs created and safeguarded to stay the same. Furthermore, no job creation was forecast as a result of the presence of the venue over the following two years.

Impact of the venue on the business environment

3.73 Businesses were asked whether the opening/reopening of the venue has made a change to the business environment in the local area in terms of turnover, number of customers, employment, attractiveness of the area as a business location and as a place to work. Overall, businesses were more positive in terms of the impact of venue on the business environment compared to the direct impact of the venue on their own business performance.

3.74 A total of 28% (97) of businesses sampled think that the venue has had a fairly positive or very positive impact on the turnover of businesses. A further 48% of businesses (166) were neither positive or negative and the remaining 6% (24) thought the venue would have a negative impact on turnover of businesses. This trend was reflected at the sub-regional scale and no significant differences were observed between businesses in Derby, Leicester, Northampton and Nottingham.

3.75 Similar to the above, businesses responded more positively than negatively in terms of the impact of the venue on the number of customers in the local area. A total of 26% (86) of businesses assert that the venue has had a fairly positive or very positive impact on the number of customers in the local area.

3.76 In terms of the impact of the venue on the number of jobs created and safeguarded by the presence of the venue in the local area, 23% (79) of businesses sampled were positive about the impact of the venue on the number of jobs created and 19% (67) were positive about the number of jobs safeguarded.

3.77 Cultural capital investment was seen to have the greatest impact in terms of the attractiveness of the area as a place to do business and the attractiveness of the area as a place to work. Firstly, 53% (179) of businesses were either fairly positive or very positive about the impact of the venue on the attractiveness of the area as a business location. A further 32% (110) of businesses were neither positive nor negative about the impact of the venue on the attractiveness of the area as a business location.

3.78 In terms of the sub-regional picture, businesses in Nottingham were more positive about the impact of venues on the attractiveness of the area as a business location compared to other sub-regions. A total of 59% (65) of businesses sampled in Nottingham were either fairly positive or very positive about the impact of the venues on the attractiveness of the area as a business location. Secondly, 48% (164) businesses were either fairly positive or very positive about the impact of the venue on the attractiveness of the area as a place to work. This trend was reflected at the sub-regional scale except for Northampton where slightly fewer (39% or 23 businesses) were positive about the impact of the venue on the attractiveness of the area as a place to work.

Impact of the venue on the local area

3.79 Businesses were also asked more generally whether the venue has made a change to the local area according to a range of factors including number of visitors, number of businesses, civic pride, quality of arts and cultural facilities, coverage of the city/town in the media.

3.80 A total of 50% (173) of businesses were either fairly positive or very positive about the impact of the venue on the number of visitors to the area. These trends were reflected at the sub-regional scale. Businesses were less positive about the impact of the venue on the number of businesses coming into the area with 17% (60) of businesses responding positively to this question.

3.81 Overall, businesses were most positive about the extent to which the venue has impacted on civic pride, quality of the cultural offer and coverage of the town/city in the media. 64% of businesses stated that the venue had had a positive image on the image and sense of pride of their city/town, 73% stated that it had improved arts and cultural facilities and 48% identified increased coverage of their town/city in the media.

3.82 At the sub-regional scale 70% (68) of businesses sampled in Nottingham were positive about the impact of the venue on the image and sense of pride in the city and 73% were positive about the impact of the venue on the provision of arts and cultural facilities.

3.83 A total of 48% (168) of businesses surveyed were positive about the impact of the venue on coverage of the city/town in the media. At the sub-regional scale, businesses in Leicester and Derby were more positive about the impact of cultural capital investment on press coverage due to the presence of Curve and QUAD. In particular, 59% (35) of businesses sampled for Curve were positive about the impact of the venue on coverage of Leicester in the media.

3.84 Businesses were also asked whether they feel the influence of the venue on the number of visitors, number of businesses, civic pride, quality of arts and cultural facilities, coverage of the city/town in the media is likely to increase, decrease or stay the same over the next two years. Of the factors listed, the venues are expected to have the strongest influence on the quality of the arts and cultural facilities available in the city/town (68% positive). Other factors included: better image and sense of pride in the city (58%), the number of visitors over the next two years (53%) and increased coverage of the city/town in the media (50%). Businesses were less positive about the impact of the venue on the number of businesses in the area, with only a quarter of respondents expecting an increase or large increase in influence of the venue on this aspect.

3.85 At the sub-regional scale, several notable differences between regional programme-level findings were observed. Businesses in Leicester were more positive about the impact of the venue on the number of people and businesses coming to the area, compared to businesses sampled in Derby, Nottingham and Northampton. A total of 58% (62) of businesses think that the venue will have a positive impact on the number of visitors to the area and 36% (30) think the venue will have a positive impact on the number of businesses in the area over the next two years. In particular, 67% (30) of businesses sampled for Curve expected the venue to contribute positively to an increase in visitors to the area over the next two years and 68% (41) think the venue will lead to an increase in civic pride. Businesses in Derby were also more positive about the impact of the venues (notably QUAD) in their locality on the coverage of the city in the media over the next two years with 58% (35) responding positively.

3.86 Businesses sampled in proximity to 'new' venues were more optimistic about the potential of the venues to attract new businesses to the area. A total of 29% (62) predicted an increase in number of businesses attracted to the locality as a result of cultural capital investment compared to 17% (20) for established venues.

Proximity analysis

3.87 Additional analysis was undertaken on the relationship between proximity to the venue and impacts of cultural capital investment on businesses. The approach was to examine the business samples for Broadway Cinema in Nottingham and Curve in Leicester on the basis that these venues were most likely to impact more on businesses in their immediate locality. For each venue the approach was to sample businesses identified with postcodes located in close proximity to the venue and to compare these responses with businesses further afield to examine whether businesses physically closer to the venue had been impacted in different ways by cultural capital investment:

- for Broadway, businesses with NG1 1, NG1 2, NG1 3 4-digit postcodes were compared with the remaining Broadway business sample
- for Curve, businesses with LE1 1, LE1 2, LE1 3 4-digit postcodes were compared with the remaining Curve business sample.

3.88 There is some evidence to suggest that proximity to the venues influences the impact of cultural capital investment on businesses. Businesses located closer to both venues were marginally more optimistic about the capacity of the venue to impact positively on the turnover of businesses and job creation. However, there was no evidence yet that business closer to the venues had actually experienced greater impacts to their businesses in terms of turnover, jobs created, safeguarded compared to business located further afield.

3.89 Businesses located closer to Broadway were more likely to have relationship with the venue as a supplier, or through business ventures. This did not apply to the Curve were businesses further away from the venue were more likely to have developed these kinds of relationships.

3.90 The next chapter interprets this empirical evidence in terms of the impact assessment.

4: Impact findings

Introduction

4.1 This chapter of the report pulls together the findings with respect to economic, cultural and social impacts. It is based on all work streams including the programme of wider stakeholder consultations. It provides a regional summary as well as sub-regional and venue specific information.

Economic impacts

4.2 The economic impacts streams that can be expected to flow from the venues are their own role as employers, the impact on the visitor economy through their audiences and the impact on the business environment in their surrounding areas. All three impact streams will be helped by the venues becoming financially sustainable organisations.

The venues are major employers in their own right

4.3 All venues are all sizeable employers in their own right and, reflecting the investment in cultural infrastructures, there has been a significant increase in employment across the board. In total, the number of permanent and contractual staff has increased from 389 in 2005/06 to 873 in 2008/09, an increase of 484 posts.

4.4 In aggregate figures, the organisations are becoming more sustainable, with earned income rising relative to total expenditure. There are, however, differences between venues which are highlighted in the venue summaries.

Visitor economy impacts

4.5 Turning to the visitor economy, attendance at performances, exhibition and film events has increased dramatically, more than trebling from just under 200,000 in 2005/06 to over 875,000 in 2008/09. Venues have been successful in attracting sizeable audience numbers from outside their town and cities and there has been an increase in the frequency of visits to arts and cultural facilities when comparing visitor trends this year against the previous year and there was a decline in the number of first time visitors indicating that there has been in increase in the number of repeat visitors to the venues.

4.6 Audience members were highly satisfied with the whole visitor experience. In the light of the high level of satisfaction reported, 97% of visitors commented that it is likely or very likely that will return to the venue for another visit in the future and the majority of respondents stated that it would be very likely that they would recommend visiting the venue to a friend or colleague.

4.7 The degree of overall visitor satisfaction identified by our survey bodes well for increasing financial sustainability at the regional level.

Business environment

4.8 From the perspective of the surveyed businesses, cultural capital investment was seen to have the greatest impact in terms of the attractiveness of the area; more than half of business respondents were positive about the impact of the venue on the attractiveness of the area as a business location and just half were positive about the impact of the venue on the number of visitors to the area.

4.9 Businesses were even more positive about the extent to which the venue has impacted on civic pride, quality of the cultural offer and coverage of the town/city in the media. 64% of businesses identified positive impacts on the image and sense of pride of their city/town, 73% noted the improved arts and cultural facilities and 48% identified increased coverage of their town/city in the media.

4.10 Over the next two years, further benefits are expected to flow with 68% of respondents expecting further positive impacts on the quality of the arts and cultural facilities available in the city/town, 58% expecting further benefits on the image and sense of pride in the city and 53% expecting increased coverage of the city/town in the media.

4.11 From a direct business perspective, only a few of the surveyed businesses (5%) reported changes to their business operation as a result of the venue opening/reopening. These trends were reflected at the sub-regional scale where between 2% and 8% of businesses for each venue reported making changes to their business operation as a result of the venue opening/reopening. The number of businesses stating that the opening/reopening of the venue has had any direct impact on their business performance was similarly small. Such impacts could come through changes in turnover, employment, different types of customers, ease by which staff are recruited, better business location and links with other businesses. Over 95% of businesses expected the number of full-time and part-time jobs created and safeguarded to stay the same. Furthermore, no job creation was forecast as a result of the presence of the venue over the following two years.

4.12 However, while only very few businesses felt they could report on direct impacts in their own business, the results were more positive with respect to impacts on the business environment in the local area; a total of 28% of businesses responded that the venue has had a positive impact on the turnover of businesses and a total of 26% of businesses assert a positive impact on the number of customers in the local area.

4.13 This discrepancy between what businesses feel for themselves and what they see in their general environment is not atypical for surveys of this nature. Businesses tend to be reluctant to attribute positive changes to anything other than their own actions and aspirations while they are more prepared to acknowledge positive external causalities to other businesses in their neighbourhood.

4.14 At the sub-regional scale, several notable differences between regional programme-level findings were observed. Businesses in Leicester were more positive about the impact of the venues on the number of people and businesses coming to the area compared to businesses sampled in Derby, Nottingham and Northampton. A total of 58% (62) of businesses think that the venue will have a positive impact on the number of visitors to the area and 36% (30) think the venue will have a positive impact on the number of businesses in the area over the next two years. In particular, 67% (30) of businesses sampled for Curve expected the venue to contribute positively to an increase in visitors to the area over the next two years and 68% (41) think the venue will lead to an increase in civic pride.

4.15 Businesses in Derby were also more positive about the impact of the venues (notably QUAD) in their locality on the coverage of the city in the media over the next two years with 58% (35) responding positively.

Role in regional and sub-regional aspirations

4.16 Having eight new major arts and culture facilities in the region has impacted on the confidence of the arts and culture sector in the region as well as on the aspirations of their places. This impact may be more noticeable at the sub-regional level and as such will be discussed later in this chapter. However, the following can be said at the regional level:

- some of the major regeneration activities in the region would not have happened to the extent they have without the cultural projects:
  - QUAD in Derby is considered a crucial component for inward investment attraction, business development as well as the visitor economy. It is used extensively in marketing Derby as a good place to live and work and its position as an iconic building at the Market Place is considered essential to balance foot-fall between the new Westfield Shopping Centre and the Cathedral Quarter
  - Curve in Leicester is a key component of the Cultural Quarter Development, one of Leicester's six regeneration areas. It is also seen as having been essential in bringing the new Highcross shopping development to the city. The decision in favour of the Curve made a statement about Leicester's aspirations for the future which was seen as essential for giving confidence to decision makers behind Highcross about the viability of the development
  - in Northampton, there are now plans to develop a film and exhibition space close to the Royal & Derngate, further building on the emerging positive impacts from the theatre
  - Broadway, NAE and Nottingham Contemporary in Nottingham are seen as being major factors in moving the city's negative image of the crime and gun culture to a positive image of arts and culture. Perceived success of these projects is now paving the way for new regeneration projects such as plans for a new dance venue at Sneinton Market.
- there is now a group of well respected cultural leaders operating in the East Midlands, some of them attracted from outside the region and with extensive respect and credibility; it is unlikely that some of them would have come without the capital projects but having attracted them bodes well for the future of their respective initiatives and the arts and culture sector in the region. Having this cadre of

experienced and respected individuals should also allow further learning and knowledge transfer to take place which will support further moves towards sustainability

- in this respect, the eight initiatives cannot be seen in isolation but as part of a range of projects which also includes the new opening of Phoenix Square in Leicester, the development of the Lace Market in Nottingham, extensive marketing and promotion of Derby and Northampton as attractive places to live and work.

Cultural impacts

Attendance and engagement in the arts

4.17 One of the major cultural impacts is increasing attendance at performances, exhibition and film events has increased dramatically, more than trebling from just under 200,000 in 2005/06 to over 875,000 in 2008/09.

4.18 The uniqueness of the "cultural offer" was the most important single reason for audiences to visit – even though the quality of the bar/café/restaurant, proximity to home, value for money and friendly atmosphere and staff were also cited as motivations. In terms of the sub-regional context, the uniqueness of the cultural offer for venues in Nottingham was an especially important motivation for why respondents chose to visit the venue. For more community-focused arts initiatives (New Art Exchange and Peepul Centre) proximity to home and value for money were cited as important reasons for choosing the venue.

4.19 There was strong positive feed-back on whether the venue had a positive impact on the quality of the arts and cultural facilities on offer in the city and this is reflected at all sub-regions. Also, a majority of respondents agreed that the venue had encouraged them to be more comfortable with the arts.

4.20 The picture was less clear with respect to whether the venue had encouraged wider engagement in cultural activities in the area where more respondents agreed than disagreed but the number disagreeing was still relatively high (at 33%). The bi-polar nature of responses was also reflected in visitor responses when analysed at the sub-regional scale.

4.21 It was also not clear-cut whether the venue had encouraged respondents to engage in arts activities or to develop new skills with a broadly even number of respondents either agreeing or disagreeing with the statement.

4.22 With respect to cultural impacts, the point made earlier with respect to attracting a group of cultural leaders to develop the initiatives is worth stating as a separate cultural impact.

Social impacts

4.23 There was an overwhelmingly positive results with respect to impacts on respondents' sense of pride in their city. The regional finding was mirrored at the sub-regional scale.

4.24 Attendance at educational, vocational outreach and training programmes increased less dramatically and indeed there was a fall experienced between 2007/08 and 2008/09. There may be concerns that some venues are not finding enough time and energy to devote to educational activities.

4.25 Also, the number of individuals volunteering at the organisations increased by only just over forty between 2005/06 and 2008/09. We expect there to be a more significant increase for 2009/10 and future years as the organisations settle down after the completion of the capital programmes. It could, however, also be the case that as the organisations are seeing themselves as becoming more professional and sustainable, volunteering is not considered such a important aspect of their operation. This would be a shame as volunteering is an excellent route for people of all age ranges to experience a wide range of benefits including a way to address worklessness issues.

4.26 Social impacts can also be gauged from feed-back received at the focus group meetings which were organised across the venues. The following benefits were emphasised:

- the role of the facilities as **social hubs** where like-minded people, including those with special needs, can meet and interact in a conducive and non-threatening environment. In many cases, this had led to friendships and a wide range of social interactions. The importance of having “spaces” to allow for interaction and exchange was consistently stressed as being particularly important
- support provided to the development of **vocational and professional skills**. This applied across the board, for young people searching for career opportunities, for people affected by unemployment and worklessness as well as creative industries professionals interested in deepening their understanding of technologies and markets. A number of individuals had gone on to chose education and career opportunities in the creative sphere after involvement with the venues
- in this context, there was also mentioning of the importance of acquiring **skills for volunteering**, including knowledge of health and safety
- support provided for the development of **‘life skills’**; this includes building confidence and communication skills, in particular – but not only - for groups with special needs (young people, women hoping to get back into the labour market, disabled people). Many positive comments related to the beneficial impacts for learning and personal development of mixing amateurs with professionals across all art forms (“it’s saved me from depression or worse”; “it’s made me forget my disability”)
- activities for **older people** including educational activities and courses; there was feed-back that some of the projects have filled a void of adult course provision which used to be occupied by further education colleges which have moved out of this sphere to a large extent. Education provision at the cultural venues was welcome partly because it was providing an offer which would otherwise not be there but also because this was happening in modern and custom-built venues which provided added inspiration because of their modern design and fit-for-purpose accommodation

- the importance of the venues as a **focal point for arts and creative activities** and a "beacon of hope" and a "symbol of ambition" in this sphere. This went ahead with a sense of involvement and pride of place.

Sub-regional feed-back

Derby and Derbyshire

4.27 Over the last few years, Derby's economy has undergone significant changes. Derby has emerged from a relatively trailing railway distribution and manufacturing centre to an aspirational city which is home to two international technology leaders (Toyota and Rolls Royce) and a range of other high value added businesses. The city prides itself in having above average wage and productivity levels and is aiming to attract further technology investment. It is pursuing active city marketing and inward investment attraction activities through its city marketing organisation Marketing Derby and is encouraging the visitor economy through the Tourism Team of Derby City Council.

4.28 QUAD is seen as a crucial component of the city's offer. Its position as an iconic building at the Market Place in what has become known as the Cathedral Quarter is seen as essential in providing attraction in this part of the city and a means to balance visitor and foot-fall flow between the new Westfield shopping centre and the area around the Assembly Rooms.

4.29 This view of QUAD's importance is shared by decision makers across the board and in particular those in charge of tourism and destination marketing and inward investment. QUAD's role has become even more important after the second closure of Derby Playhouse. During its existence, this theatre had regularly received positive reviews but due to financial difficulties, it had to close in February 2008. It was rescued and opened again in September 2008 on the basis of a new financing package - but closed again a few months later.

4.30 QUAD is regularly involved in city marketing strategies and initiatives; the fact that QUAD's chief executive brings extensive experience of culture management from places as diverse as Newcastle and Bradford and is fully engaged in the role of arts and culture in regeneration and business development.

4.31 QUAD is adding to the impact and reputation of Derby Dance, established as a local dance development agency based at Derby Playhouse in 1991, before becoming one of the first wave of national lottery funded capital projects to aid its move to new premises in 1997. In 2008, its name changed to Déda. It is the only dedicated dance house in the East Midlands, acting as a local, regional and national resource for dance artists and the wider arts community.

4.32 QUAD and Déda are key players in Derby Festé which has become a major city festival inspired by arts and culture. The Festé started in 2007 and in 2008 it framed the opening of QUAD (as well as the launch of the Cultural Olympiad).

4.33 The Bill Drummond opening prepared the residents of Derby for QUAD's opening and actively engaged them in the launch (see Figure 4.1).

Figure 4-1: Bill Drummonds Opening of 'The 17'

The first major event to launch the new QUAD building 'The 17' took take place on 22 August 2008 in Derby's Market Place. Quad invited renowned artist and musician Bill Drummond to create a unique performance piece involving a cross section of the community currently living or working in the Derby city. The aim was to identify 100 groups of 17 people from all over Derby who fall into the categories listed on the Quad website: http://www.derbyquad.co.uk/whats-on/other-events/the17

Possible groups included nurses, cyclists, mad scientists, DJs or even losers. Participation was encouraged from individuals or established groups. 'The 17' was a choir, but members did not have to be able to sing well to take part Bill Drummond ran sessions to record 100 groups of 17 Derby people during June and July 2008. All groups of 17 were recorded together, making one note with their voices for five minutes. They were also shot in a group photo and a short video portrait was filmed. The 100 separate sound recordings were mixed together to create one huge sound piece that had its one and only performance on the 22 August 2008. All participants were invited as Quad's Special Guests to a private view reception and personal tour of QUAD. The film was shown on the BBC Big Screen and inside QUAD, and the photographs were included in the exhibition inside QUAD and published in a special 'The 17' (317. REPEAT) book.
"The 17 is a choir. Their music has no history, follows no traditions, recognises no contemporaries. The 17 has many voices. They use no libretto, lyrics or words; no time signatures, rhythm or beats; and have no knowledge of melody, counterpoint or harmony. The 17 struggle with the dark. And respond to the light. "

Source: press releases and Bill Drummond: The 17

4.34 QUAD was the first venue outside London to host a BFI Mediatheque, a collection of film and television from the British Film Institute's National Archive and available to users free of charge. The Mediatheque is described as a digital jukebox featuring over 1,500 films and TV programmes. In terms of strengths, weaknesses and opportunities for the future, the following points were made:

- QUAD was considered to have established itself as a key player in Derby's cultural landscape; it was seen to be an essential component of the visitor economy and as an expression of Derby's aspirations for its city development
- the building was seen to be both iconic and functional; while there are always some dissenting voices, on balance it was considered to round off the architecture of the Market Place, providing aesthetic balance to the Assembly Rooms and the Market Hall
- with hindsight, a slightly larger building, providing space for at least one additional screen, might have made it easier for QUAD to reach financial sustainability
- the opportunities associated with the BFI Mediatheque were not seen to be fully exploited yet
- the combined offer of film, multimedia and art was seen as being attractive – but scope was identified to strengthen the links between the different art forms
- the ambassador programme whereby QUAD has created strong links with representatives of different constituent communities was seen to be an important outreach activity
- in terms of educational and social provision, there was considered to be scope to intensify the offer and provide more outreach activities across all of Derby's neighbourhoods
- there was an appreciation that QUAD is still trying to address unresolved problems with the services infrastructure of its building; there are a number of problems which

need to be made good before QUAD can achieve its full offer, in particular in terms of its bars and restaurant facilities.

4.35 Surrounding Derby, Derbyshire is a diverse county that contains 30 towns with between 10,000 and 100,000 inhabitants. The majority of the county is classed as rural stretching from the Peak District National Park in the North West down to the National Forest in the south of the sub-region with the Derwent in between. It is a mixture of small rural villages and larger market towns and the rural economy is a significant attractor for tourism.

4.36 In terms of the tourist offer the nationally recognised physical landscape and built heritage for wider economic, ecology and tourism uses is important. The Peak District National Park is a long standing designation in recognition of the outstanding physical quality of the area. More recently the designation of the Derwent Valley Mills between Derby and Matlock as a World Heritage Site is a recognition of the historic importance of the area in the production of textiles, the technological developments that led to its pre-eminent position in textile manufacturing in the 19th century and the legacy this now leaves in the physical environment.[11] Derby also contains several tourist attractions (eg QUAD, Westfield Shopping Centre) and is now a unitary authority area, but remains part of the ceremonial county of Derbyshire.

4.37 The Level Centre is located in Rowsley at the heart of the Derbyshire sub-region. The Level Centre opened in 2008 and is hub for Creative Industries in rural Derbyshire. Operated by First Movement, it brings the kind of facilities normally only found in cities to the heart of rural Derbyshire. The Centre also encourages disabled people to become involved in the arts and creative projects. The Centre includes a dedicated media editing studio, a state of the art video conferencing studio, as well as meeting space and small starter studios for new creative businesses. The Level Centre was designed by Clash Associates and has recently won a Royal Institute of British Architects Award.

4.38 First Movement (the organisation operating from the Level Centre) interacts with a range of organisations providing care facilities and learning opportunities for adult learning disabled groups across the East Midlands. This interaction happens in two main ways: (1) through core user groups visiting the Level Centre at Rowsley; and (2) through outreach activities at residential and day care centres. First Movement has been delivering programmes to adult learning disabled across the sub-region for over the past twenty years but had been operating without a permanent home prior to the opening of the Level Centre. The capital project has been transformation for First Movement and has enabled the organisation to intensify its educational offer and provide its core user group with a specially designed space for engagement with the arts and digital media. The increase in activities has been considerable with the highest number of education sessions recorded at the Level Centre in 2008/09 (after completion of capital works) with a total of 411 sessions held, attended by 2,585 participants.

4.39 The capital project has also enabled First Movement to enhance its outreach activities across the sub-region and beyond through the Level Screen, an innovative new mobile product which enables people miles apart to meet, connect and interact in a virtual space by utilising digital technology. Digital media technologies enables the organisation run creative projects

[11] Derby & Derbyshire Economic Partnership, 2008, Sub-Regional Rural Action Plan 2008-2011

and improve users communication skills with the help of this new technology. The Level Screen can be used as a meeting place, social network or as a forum for creative collaborations by people who might otherwise be excluded from new communications technology.

4.40 First Movement provides a service and facility that is not accessible anywhere else in the region and is consequently seen by policy makers as an essential resource for adult learning disabled people. The organisation has given learning disabled people the opportunity to develop a range of interpersonal skills through artistic expression and digital media at the Level Centre. Feedback from wider stakeholder suggests that the Level Centre and Level Screen have profound personal impacts on its core user group in the following ways:

- improving physical coordination and the physical development of adult learning disabled people
- enabling the development of communication and social skills through interactional activities
- encouraging self-confidence and facilitating self-expression through the arts and digital media.

4.41 Evidence suggests that the social impacts of First Movement have been considerable and that the organisation has worked closely with learning disabled individuals to raise self-esteem and confidence. The organisation invests heavily in the personal development of learning disabled groups and the results of doing so are potentially life changing for those involved.

4.42 While First Movement's primary impacts are felt by its core user group across the region, the Level Centre also has a role to play in supporting creative industries in the sub-region and the arts and culture within rural communities. The Level Centre is strategically positioned on the A6 to provide an accessible location for First Movement both reach out to its core user group and to be accessed by wider communities. In terms of utilisation of the Level Centre beyond core user groups there is evidence of two forms wider community engagement.

4.43 Firstly, the Level Centre provides three small start-up office/workshop spaces for new Creative Industries. In addition it provides access to meeting facilities, an editing studio for sound, video, image and animation, and a purpose designed space for videoconferencing to support creative businesses. An increased demand in the availability of workspaces for creative industries in the sub-region was recently highlighted in the Derby and Derbyshire Creative Industries Strategy (2008) commissioned by the Derbyshire Arts Partnership, Arts Council England and Derby City Council. The reports concludes that the sector is growing and at a faster rate than many of the sectors identified as priorities at a regional level and that rural locations are becoming increasingly attractive to creative businesses due to low overheads with relative proximity to larger urban areas, with good transport and communications. While initial interest in workspaces has been stifled by the recession there is potential for the Level Centre to become a hub for creative businesses in the sub-region.

4.44 Secondly, the Level Centre has become an important meeting place for rural Creative Industries, offering opportunities for networking and collaboration. The Centre has hosted several workshop and conference events for local creative industries and has linked to local arts organisations (eg Arts in the Peak) which have used the facilities on offer at the centre.

4.45 In terms of strengths, weaknesses and opportunities for the future the following points were made:

- lessons can be learned from the design and development of the Level Centre as a landmark cultural offering precisely designed for the use of its core user group
- there is further potential for First Movement to link with the wider artistic and cultural community in the sub-region
- uptake of workspaces for creative industries has been slow, but this can be overcome by raising awareness of facilities on offer and improving economic conditions post-recession
- First Movement provides an invaluable service for its core user group and produces life-changing social impacts for adult learning disabled people
- the organisation needs to diversify its activities and seek alternative sources of revenue funding because the current funding model is too reliant on public subsidies.

Leicester

4.46 The population of Leicester unitary authority is around 290,000, the largest in the East Midlands. The city is strategically located on major road and rail networks and is a centre for higher education with the presence of the Leicester, De Montfort and Loughborough Universities based in the sub-region. Engineering forms an important component of the local economy alongside food and drink industries and the presence of financial and business services. The ethnic composition of Leicester's population is a major distinguishing factor with 38% of ethnic minority groups including large communities of South Asian and West Indian origin.

4.47 The city has undergone considerable regeneration since the inauguration of the Leicester Regeneration Masterplan by Leicester City Council in July 2003 including the opening of the £350m High Cross Shopping Centre. The physical regeneration of Leicester is designed to strengthen the city's economy and to improve its environment and image through targeted redevelopment of six regeneration areas (Cultural Quarter, Business Quarter, Retail Quarter, Waterside, Science Park and Ashton Green). The Masterplan is based on a holistic vision for change over the next ten years which addresses weaknesses in the economy, jobs structure, housing supply, shopping and general image.

4.48 Leicester City Council and One Leicester identified culture as key to the city's renaissance. Leicester City Council is one of the largest spenders in the region on cultural services and the city has a range of cultural assets including De Montfort Hall, the Y Theatre, the Little Theatre, the City Gallery (currently being moved to new site), Access Artspace and Phoenix Square. In addition, the city hosts a number of annual flagship cultural events including the

Pride Parade (Leicester Pride), the Mela Asian Arts festival, the Caribbean Carnival (the largest in the UK outside London), Diwali celebrations, and Leicester Comedy Festival (one of the UK's largest). Cultural capital investment has resulted in the addition of two very different kinds arts/cultural assets to the city, the iconic Curve Theatre in Leicester city centre and the community-focused Peepul Centre located in Belgrave.

4.49 Curve Theatre is a flagship investment designed to stimulate the regeneration of the St George's Conservation area, in the heart of Leicester's Cultural Quarter. The Cultural Quarter initiative is a culture-led urban regeneration project and has delivered a number of projects including Curve, LCB Depot containing workspaces for creative industries, and the Phoenix Square mixed-use digital media centre. A total of £200m has been invested in the Cultural Quarter initiative so far with an estimated £61m of private investment leveraged to date.

4.50 The £61m Curve Theatre contains an auditorium with up to 800 seats and a studio which seats up to 400 screened behind a four-storey glazed and louvered curtain wall. The capital project was initially budgeted at around £30m and experienced massive overruns.

4.51 Curve is a cutting-edge performance space that turns the typical theatre configuration 'inside out' by exposing the production, construction, craft and technical components of theatre making to passers by. The theatre's design offers possibilities for both traditional and unconventional uses of space, enabling a wide variety of performance configurations.

4.52 There has been a mixed reception to arts programming at Curve since opening and the design (and cost) of the theatre has provoked much debate in the local community. While the venue has attracted a number of prominent performers to the city it has struggled to match the success of the Haymarket Theatre which had a national reputation for musical production and attracted a large number of visitors from outside the region. There is little evidence to suggest that the development of Curve has led to an increase in the number of tourists to the region and uptake of 'tourist packages' has been negligible. Curve is still in the process of broadening and diversifying its audience base and further work needs to be done to articulate its programming relative to the diverse interests of Leicester residents and other arts and cultural activities in the city.

4.53 However, Curve (along with the Highcross Shopping Centre) is attributed as having helped to transform the image of Leicester and the perceptions of people outside of the city. The iconic building is frequently used in destination marketing for Leicester and to raise the profile of Leicester as a place to live and work. Moreover, Curve is widely seen to be an aspirational project representing Leicester's ambition and confidence and has helped to increase peoples' sense of civic pride. It appears that John Lewis made its decision to locate to Highcross conditional to Curve being supported.

4.54 The development of the Cultural Quarter has been noticeably affected by the recession and the uptake of residential and commercial space has been slow. It is hoped that as economic conditions improve, Curve will further stimulate the growth of the Cultural Quarter and be a key attractor for retail, hospitality and creative businesses. To maximise the impact of Curve on economic regeneration more work needs to be done to develop a spatial strategy to link Highcross at the east of the city with the Cultural Quarter in the West.

4.55 The Peepul Centre was conceived as a national flagship project combining the concept of a community centre arts venue, education facility, health centre and leisure complex. The centre had a history with a high turnover of senior management staff and serious financial instability leading to it joining the LHA-ASRA Housing Group. As a result, Peepul Centre is now an independent third sector organisation and no revenue funding is provided by Leicester City Council.[12]

4.56 The venue is unique amongst the eight capital projects due to its origins as a social enterprise and its focus on providing community facilities for its neighbourhood. The Peepul Centre's main function is as a community centre providing a crèche, café and fitness and leisure suite primarily utilised by individuals from the surrounding Belgrave neighborhood. The provision of these facilities has positive social impacts for local residents, particularly for women who are able to enter the labour market with the provision of local childcare and who gain confidence and self esteem due to the centre's range of community initiatives.

4.57 Direct arts provision constitutes only a small proportion of the organisation's work although a fair number of community groups which use the centre are engaged in arts-related activities including South Asian music and dance. Artistic and cultural events are organised on an ad hoc basis and opened for usage for creative activities by learners from local schools and colleges. In the year after opening the venue attracted a number of high profile South Asian artists to the venue and stakeholder feedback suggests that there is potential for the Peepul Centre to contribute more effectively to Leicester's tourist and cultural offer by rejuvenating its arts programme. According to some, this depends on the commitment of the Peepul Centre to contribute to the cultural agenda, to link more effectively with other arts/cultural facilities and the wider community beyond Belgrave.

4.58 The Peepul Centre is seen by some as a 'beacon' for ethnic minority and social entrepreneurship in the city and beyond. The capital project (which had to overcome a number of problems including budget overrun was called a 'herculean' achievement which embodies a 'can do' mentality to which other third sectors might aspire. The achievement of the Peepul Centre has the potential to inspire other social entrepreneurs to fulfil similar ambitions and work more effectively for the good of the wider community.

Northampton

4.59 Northamptonshire is a diverse county; about one third of its total population of 630,000 live in the town of Northampton located in the centre of the county. The districts to the south and west of Northampton are strongly influenced by the growth ambitions of the Milton Keynes South Midlands development agenda while the districts to the north and east of Northampton are also relating to Corby and Peterborough.

4.60 Northampton's industrial past has been shaped by particular expertise in leather, footwear and textiles and a number of specialist shoemaking companies remain. The town has a range of cultural assets including the Rennie Mackintosh designed house at 78 Derngate, Northampton

[12] In December 2009, there imminent sustainability concerns were reported widely in the Leicester press. http://www.thisisleicestershire.co.uk/news/Rescue-bid-Peepul-Centre-ruled-Leicester-City-Council/article-1634901-detail/article.html

Art Gallery & Museum, the Fish Market Gallery and Workspace and the combined boot and shoe collection of the Northampton Museum and Gallery and Museum of Leathercraft. The county's sporting offer includes the Saints Rugby Club, the County Cricket Club, Silverstone, Rockingham Motor Speedway, Towcester Race Course, Rushden & Diamonds and Northampton Football Clubs and the Nene White Water Centre.

4.61 Despite these assets, Northampton's cultural offer is limited, without an Art House Cinema and with few national – or even regional - facing organisations with the potential to raise the profile of arts and culture in Northampton and beyond. Parallel to this, the sub-region has faced low levels of engagement in culture and ambivalence with regard to making the area more culturally rich, competitive and 'metropolitan'.[13]

4.62 Northampton has historically lacked larger and growth-orientated cultural organisations and the cultural (and sporting) sectors have a relatively low national profile. [14] The lack of investment has been recognised as being both a demand and supply-led challenge:[15]

- demand-led because simply the county has not sufficiently strongly articulated the need for more cultural infrastructures
- supply-led because there has been a failure to understand the need for cultural investment and support in making the county achieve its full potential.

4.63 This has changed in the wake of the different growth agendas which are impacting on the county (North Northamptonshire, West Northamptonshire and Milton Keynes South Midlands) which have provided a platform to enhance the region's culture offer. Culture and heritage is identified as an important component of the physical and social infrastructure required to match the expected growth. In addition, culture and sport has secured a prominent place in the second Local Area Agreement for Northamptonshire 2008-2011, the delivery plan for the Sustainable Communities Strategy, with a specific outcome to increase participation in culture, sport and physical activity under the Stronger Communities theme.

4.64 Investment in the Royal & Derngate Theatre in Northampton fits closely into these changing ambitions and is associated with a wide range of objectives. The theatre has an excellent reputation for performing arts and several performances have received national acclaim. It is located at the heart of what is hoped to become a 'cultural quarter' which also includes the Northampton Art Gallery & Museum and 78 Derngate. There is growing potential for Royal & Derngate to contribute to the town as a tourist destination and attract visitors from outside the region.

4.65 Royal & Derngate plays an important role in encouraging engagement and wider participation with the arts. The theatre has a service level agreement with Northamptonshire County Council to provide educational and outreach services across the sub-region with a particular focus on children and young people. The theatre operates a Creative Projects programme for schools, colleges, universities and community groups to promote learning in drama, dance, art

[13] Ibid
[14] Northamptonshire County Council, 2008, Creating Connections – A Strategy for Culture and Sport in Northamptonshire 2009- 2012
[15] Northants Culture, 2009, A Cultural Investment Plan for West Northamptonshire

and music and experience of theatrical production. Outreach activities with the wider community are designed to diversify the audience base and attract non traditional attendees to the venue (including disabled and marginalized adults) including a successful community choir . There is also a strong and loyal group of volunteers that undertake a range of tasks particularly front of house.

4.66 In September 2009 the theatre (part-funded by Arts Council England and Northampton Borough Council) coordinated the free 'Crackers' event, combining fireworks, projection, performance and music. The event helped to promote the town's cultural offer and attracted in excess of 25,000 people making it one of the largest cultural events to take place in Northamptonshire.

4.67 Despite Royal & Derngate's achievements since re-opening, the theatre should not be seen as a 'silver bullet' that can, on its own, stimulate economic regeneration, tourism and inward investment. Rather, it is one of a suite of cultural and heritage projects designed to draw people into Northampton and Northamptonshire and enhance the quality of life for those people already here.

4.68 In terms of strengths, weaknesses and opportunities for the future the following points were made:

- Royal & Derngate was delivered on time and on budget and, as such, should be seen as an exemplar amongst the eight capital projects
- the theatre has a regional and national reputation receiving positive reviews in national media and has recently won several awards at the November 2009 Theatrical Management Awards
- there is still scope for the Royal & Derngate to be linked more effectively with other arts and cultural venues in the town to create a better cultural identity for Northampton
- the theatre is located somewhat on the periphery of the town centre and there is a sense that more work could be done to maximise the links between the theatre with the town's retail offer and to enhance the appeal of the town's night time economy for visitors.

Nottingham

4.69 Nottingham is the biggest city in the East Midlands. It is one of eight cities of the English core city group.[16] During the industrial revolution, the city acquired a reputation for lace making and the bicycle industry. It later also emerged as an important centre for cosmetics and pharmaceuticals, going back to the establishment of Boots in 1849. More recently, the city generated frequent negative headlines through its reputation as Britain's gun, crime and drugs capital, a reflection of a number of high profile crimes of violence that had taken place in the city.

[16] The other cities in this group include Birmingham, Bristol, Leeds, Liverpool, Manchester, Newcastle and Sheffield.

4.70 Nottingham has experienced a wave of regeneration projects. Amongst them is the Lace Market area, once the heart of the world's lace industry. The area consists of a range of 19th century industrial buildings, most of them in Victorian red brick style. The Lace Market has undergone extensive renovation and renaissance in recent years. The old warehouses that were once run down and disused have been cleaned and renovated and are now used as residential accommodation or offices.

4.71 Two of the three Nottingham projects have a close connection with the Lace Market. Broadway is in the heart of the area and has a long standing history there, starting as a Wesleyan Chapel, then a Cooperative Education Centre, Film Society and, as of 1982, Broadway Cinema.

4.72 Nottingham Contemporary is at its outskirts of the Lace Market area. The building was designed by architects Caruso St John who won a design competition in 2004, beating a strong field which included Hadid and Foster amongst others. The exterior of the building picks up the lace theme in its exterior cladding.

4.73 The third project, New Art Exchange, is located in the Hyson Green neighbourhood to the north west of the city centre.

4.74 The three projects differ in history, scope, focus and objectives. The oldest and most established of the three projects, Broadway, is described by many as being the heart of the Lace Market. It has a long standing Arthouse Cinema tradition and was considered as a leading venue even before the capital investment. The capital project which has provided Broadway with two extra screens as well as additional bar and catering facilities enables it to run a more varied programme and to cater for special needs of distinct audience groups.

4.75 Nottingham – and indeed the East Midlands – is emerging as one of the United Kingdom's most active film production locations and Broadway plays a role in working with young filmmakers and showcasing their work. A gala screening of Control, a prize winning film about Joy Division front man Ian Curtis, by Anton Corbijn and starring Nottingham-born Samantha Morton, took place at Broadway in October 2007.

4.76 Broadway has significantly increased its attendance and it associates this with the increased flexibility of having additional screens which now allow it to run blockbuster films (such as Slumdog Millionaire in early 2009) as well as films appealing more to a niche audience.

4.77 Nottingham Contemporary is positioning itself as a major new visual arts gallery in the United Kingdom. It opened in November 2009 with an exhibition of paintings and drawings by David Hockney (1960 – 1968 – a marriage of styles). It received high praise and excellent national media coverage and attracted 39,000 visitors in the first few weeks of its opening, making the 200,000 visitors which it is hoping to attract during the first year of its opening a realistic figure.[17]

[17] http://news.bbc.co.uk/local/nottingham/hi/people_and_places/arts_and_culture/newsid_8386000/8386472.stm

4.78 The third project, NAE, is a showcase for African, Caribbean and South Asian Arts, located in the Hyson Green neighbourhood of Nottingham which has suffered from severe economic deprivation in the past.

4.79 Broadway and Nottingham Contemporary are part of the Nottingham Cultural Attractions Group which also includes the Greater Nottingham Partnership, the Arts Council and the key cultural attractions in Nottingham including Nottingham Playhouse. The ongoing investment on upgrading Nottingham's cultural infrastructures have energised this group which meets more often now than before.

4.80 It was recently announced that Nottingham will be the launching location for the seventh British Art Show. The exhibition will open in October 2010 in Nottingham and then go on to tour the Hayward Gallery in London and galleries in Glasgow and Plymouth. The British Art Show has a growing reputation for marking significant achievements in contemporary art. Occurring every five years in cities across the UK, the exhibition introduces to a wide public a new generation of the most exciting artists in multiple sites. In Nottingham, it will open in three venues (Nottingham Contemporary, the New Art Exchange and the Castle Museum). There is wide consensus that without the two new visual arts venues (Nottingham Contemporary and the New Art Exchange, it would have been inconceivable to attract this exhibition to Nottingham.

IEF assessment

Methodological considerations

4.81 This section of the report explores the extent to which investment in the eight cultural projects in the East Midlands has already generated wider economic impacts in terms of increased and additional good and services produced by regional enterprises – also referred to as Gross Value Added (GVA). In assessing these impacts, we have followed the standard approach for assessing such impacts which has been developed for RDA activities by the Department for Trade and Industry (later the Department for Business Innovation and Skills). This approach is summarised in the Impact Evaluation Framework (IEF) which all RDAs are obliged to follow in reporting on impacts from their activities.[18] The approach seeks to enhance the regional evidence base, drawing on the results from existing evaluations to assist RDAs in developing their forward looking economic strategies based on a better understanding of which interventions work best, how they work and under what circumstances.

4.82 For this project, the calculation is based on the translation of the two key economic performance indicators (additional employment in the venues and additional audience spending due to the existence of the venues) into GVA impact, allowing for deadweight leakage, displacement, substitution and multiplier effects.[19]

[18] Department for Trade and Industry (DTI), 2006, Evaluating the Impact of England's Regional Development Agencies: Developing a Methodology and Evaluation Framework; http://www.berr.gov.uk/files/file21900.pdf

[19] *Deadweight* is the level of impact that would have happened without the investment; *leakage* is the extent to which the impact has benefited regional businesses rather than those from outside the region; *displacement* is the extent to which the projects have had a negative impact on other – competing – businesses; *substitution* measures whether the investment has lead to reduction in other activities due to the project*; multiplier effects* measure

4.83 There are potentially other sources of impact that can be expected to influence GVA which, in this project, were either *impossible to measure* or *too early to accrue*:

- within the '*impossible to measure'* group are impacts stemming from factors such as increased civil pride and improved quality of life which can manifest themselves in residents staying in a location rather than migrating and/or businesses investing in an area rather than leaving – or not coming in the first instance. All stakeholders were positive that the investment projects have already impacted on the region through attracting business and people to the region. However, nobody was prepared to quantify this impact in any way and we have therefore refrained from integrating it into the GVA impact calculations

- within the 'too early to accrue' category were limited economic impacts found in local businesses (for example in terms of jobs created and additional turnover) from the business survey. This is likely to have been influenced by the fact that many of the projects have only recently opened; it could also have been as result of the economic recession which affected businesses in the survey period and which may well have offset positive economic impacts.

4.84 In terms of data availability and timing, it is also important to recognise that the GVA impact was derived from data over a seven year time series from 2002/03 to 2008/09. We did not have access to 2009/10 ACE RFO annual submission data during the study and it can be expected that these data would have produced evidence of additional positive impacts on jobs/visitor spend that in turn would have increased GVA.

4.85 Furthermore, IEF guidance states that the evaluation process for capital projects should be longitudinal recognising that it will take longer for the benefits of these kinds of interventions to be realised. The evaluation project took place from 2008/09 when most venues had been operational for just one year and at a time of severe economic recession. To examine the GVA impacts of the intervention more robustly, the evaluation process should take place over a longer timescale recognising the 'time-lag' in economic impacts being realised.

4.86 There are *other methods for calculating economic impacts from cultural organisations*. For instance, we took sight of two economic impact studies by Dominic Shellard, on the impact of Nottingham Playhouse specifically[20] and on the impact of theatres in the UK.[21] The methodology used in these impact assessments differs radically from the IEF approach in two important ways. First, it does not make corresponding allowance for deadweight, leakage, displacement and substitution; secondly, it assesses the impact of cultural organisations at the local level whereas the IEF is used for regional impact evaluations. In our view, adopting this methodology goes strongly against IEF guidance for regional impact evaluations and would not be accepted by RDA sponsoring departments nor by HM Treasury.

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additional economic activity generated through supply chain impacts and additional income being spent on consumption and investment.

[20] Professor Domic Shellard (University of Sheffield): An Economic Impact Study of Nottingham Playhouse August 2006

[21] Professor Dominic Shellard (University of Sheffield) Economic Impact Study of UK Theatre, Arts Council England 2004 http://www.artscouncil.org.uk/publication_archive/economic-impact-study-of-uk-theatre/

4.87 Further methodological comments are provided in Annex G.

4.88 For the purposes of this evaluation, we calculated additional GVA impacts from two key performance indicators: the number of jobs created at the venue and visitor spend. The number of jobs created at the venues was obtained from Arts Council England Annual Submissions on the basis of the reported number of permanent and contractual jobs created at the venue since completion of the capital works.[22] Data on tourist spend were obtained from Arts Council England Annual Submissions and our own visitor survey.

4.89 Each indicator is examined in reference to:

- the overall additional outputs that can be attributed to the intervention (net outputs / outcomes)
- the improvement in employment, income and productivity among the beneficiaries affected by the intervention (GVA).

Adjusting from gross to net outputs

4.90 Net additionality reflects the final overall additional activity that arises after the original gross benefits have been adjusted to take account of the deadweight, leakage, displacement, substitution and multiplier effects. Put simply, the net additionality ratio is that proportion of the gross effects which are net additional, taking all of the additionality adjustments into account.

4.91 Net additionality ratio was calculated as part of this study on a standard basis using the equation $(1\text{-}dw)*(1\text{-}l)*(1\text{-}dp)*(1\text{-}s)*m$, where dw = deadweight; l = leakage dp = displacement; s = substitution (where applicable); and m = multiplier. This equation is entirely consistent with the Additionality Guide and the net additionality calculation in the recent RDA Impact Evaluation.

4.92 For this evaluation, values for deadweight, displacement, leakage and multipliers were derived from the Department for Business, Innovation and Skills (2009) using the median regional level data for capital projects.[23] Leakage and displacement assumptions differed in the calculation of GVA from tourist spend and is discussed below.

Table 4-2: Adjustments for gross to net calculations

Adjustment for...	Scaling factor...	Explanation/evidence linked to the magnitude of the scaling	Calculation for net outputs	
Deadweight	0.43	What level of outputs and outcomes would have happened anyway without the project and in what time period?	Proportion of non-deadweight	0.57
Leakage	0.05	Who were targeted beneficiaries? Have the outputs/outcomes benefited non-target group(s) and/or area(s) at the expense of the target group and/or area? If yes, by how much?	Proportion of non-leakage	0.95

[22] The number of permanent and contractual staff has been taken at face value and has not been further translated into Full Time Equivalents (FTEs)
[23] Department for Business, Innovation and Skills (BIS), 2009, Research to Improve the Assessment of Additionality, BIS Occasional Paper No.1, Retrieved 22nd December 2009 http://www.berr.gov.uk/files/file53196.pdf

Adjustment for...	Scaling factor...	Explanation/evidence linked to the magnitude of the scaling	Calculation for net outputs	
Displacement	0.285	Has the project reduced existing activity from within the target group or area? If yes, where and by how much?	Proportion of non-displacement	0.715
Substitution	0.00	Has the project resulted in organisations/firms substituting an activity or input for a similar one to take advantage of public funding? If yes, where and by how much?.	Proportion of non-substitution	1
Multiplier effects	1.39	How much additional economic activity is generated through purchases along the supply chain, employee spending rounds and longer term effects?	Multiplier coefficient	1.39
Optimism bias	1.00	As the data relate to the actual number of jobs created in the region we have assumed there is unlikely to be any optimism bias.	Adjustment for bias	1.00

Source: SQW on the basis of previous comparable IEF evaluations

Jobs created

4.93 The IEF handbook uses jobs (created and safeguarded) as the main source of GVA impact. This is a well accepted mechanism through which impact can be described. This is done by collating information on the number of jobs created/safeguarded and then determining how much of this was directly attributable to the intervention.

4.94 The first step in this calculation is to determine 'gross attributable outputs'. This is determined by reducing the outputs to reflect only those that would not have happened without the intervention (counterfactual / deadweight). The gross number of jobs created at the venues as a result of the capital investment programme was 371 and after adjustment of additionality factors (deadweight, leakage, displacement, substitution and multiplier effects) the net number of jobs created is 199. Consequently, the gross to net additionality ratio for the number of jobs created attributable to the intervention is 61%. On comparison a gross to net ratio of 61% is considerably higher than additionality ratios associated with attributable outcomes resulting from capital projects at the regional level. For example, the median additionality ratio for capital projects according to the BIS Additionality Guide[24] is 48%.

Table 4-3: Gross to net outputs for jobs created

	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	Total
Gross Jobs Created	0	0	0	0	28	30	313	371
Net Jobs Created	0	0	0	0	15	16	168	199
Overall Gross/Net ratio	0	0	0	0	0.53	0.53	0.53	0.61

Source: SQW Consulting

[24] Department for Business, Innovation and Skills (BIS), 2009, Research to Improve the Assessment of Additionality, BIS Occasional Paper No.1, Retrieved 22nd December 2009 http://www.berr.gov.uk/files/file53196.pdf

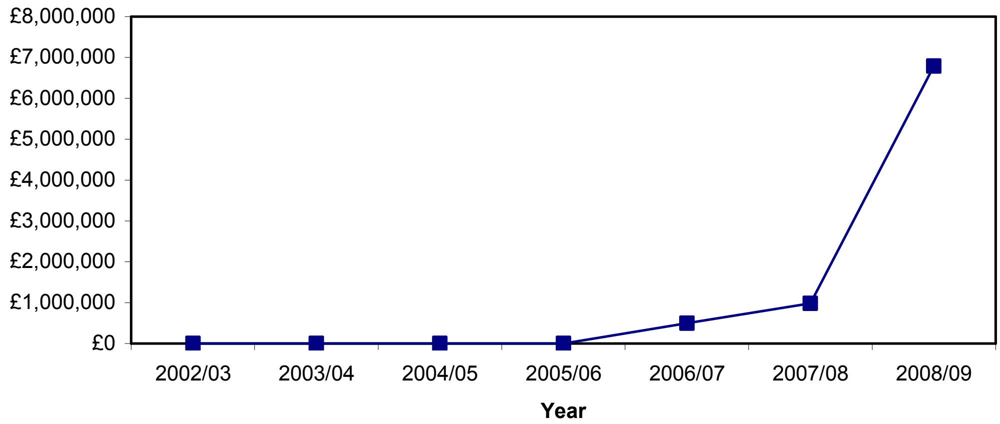
4.95 The next step in calculating the GVA figure is to use this information on jobs created /safeguarded together with information on the average GVA per worker. The GVA per worker is calculated using a GVA to earnings ration based on median earnings at current prices for the East Midlands. After accounting for discounting and current prices the overall GVA impact resulting from jobs created can be calculated.

Table 4-4: Net GVA impact

	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
GVA per job	£28,541	£29,673	£30,539	£31,873	£32,830	£33,116	£34,762
Net GVA impact	£0	£0	£0	£0	£494,710	£983,788	£6,784,888

Source: SQW Consulting

Figure 4-1: Jobs created NET GVA impact



Source: SQW Consulting

4.96 To calculate the total present GVA value, the persistence of benefits needs to be considered which refers to the length of time the additional impacts set in motion by the capital project can be expected to flow. In calculating persistence, we have referred to IEF guidance for calculating the persistence of impacts from capital projects which is ten years and also requires the application of a decay factor of 0.1 to make allowance for maintenance expenditure.

4.97 It could be argued that the persistence time should be longer because big cultural capital projects last well beyond a ten years time frame and indeed the impact flow might even gather momentum which cannot be foreseen when evaluating such projects relatively soon after their completion. On the other hand, the novelty value of the new projects may wear off over time and the impact flow might reduce rather than accelerate. Accurately to assess to flow of benefits over time would require another impact evaluation to allow cross-temporal comparisons.

4.98 The total present value GVA impact from the number of additional jobs created attributable to the intervention has been calculated at **£48,195,912.** This includes the GVA impacts created as a result of the capital programme up to 2008/09 and the ten years during which these actual achieved benefits are expected to persist into the future.

Visitor spend

4.99 An estimate of GVA impact resulting from tourism was calculated using visitor profile and expenditure data from the visitor survey and the number of attendees at the venue recorded in Arts Council England Annual Submission Forms. To calculate GVA impact the assumption was made that the profile of visitors to the venues recorded in annual submission forms was similar to the profile of visitors recorded in the visitor survey undertaken at each of the venues. The profiling data from the visitor survey used to calculate gross attributable outputs and GVA at the programme level are contained in Table 4-5.

Table 4-5: Profile of visitor by origin and stay

Visitor Type	Proportion	Visitor Spend per Trip
day and live in region %	93%	£24.7
staying and live in region %	0%	£0
day and live outside region %	5%	£26.3
staying and live outside region %	2%	£43.2

Source: SQW Consulting

4.100 In calculating gross attributable output, changes were made to assumptions on leakage and displacement in accordance with data obtained from the visitor survey and from previous SQW impact assessment work on tourism. Table 4-6 contains revised assumptions for these additionality factors.

Table 4-6: Revised assumptions on leakage and displacement for tourism spending

Adjustment for...	Scaling factor...	Explanation/evidence linked to the magnitude of the scaling	Calculation for net outputs	
Leakage	0.10	SQW estimate based on evidence from visitor survey. Ten percent of respondents stated they would have gone to alternative arts/cultural venues if they had not visited one of the venues included in the evaluation	Proportion of non-leakage	0.90
Displacement day and live in region	0.9	SQW estimate based on ONE Tourism Impact Assessment Model	Proportion of non-displacement	0.1
Staying and live in region	0.9	SQW estimate based on ONE Tourism Impact Assessment Model	Proportion of non-displacement	0.1
day and live outside region	0.25	SQW estimate based on ONE Tourism Impact Assessment Model	Proportion of non-displacement	0.75
staying and live outside region	0.6	SQW estimate based on ONE Tourism Impact Assessment Model	Proportion of non-displacement	0.4

4.101 Gross outputs were calculated using a similar route to GVA impact as outlined above for jobs created taking into account discounting, current prices and persistence of benefits.

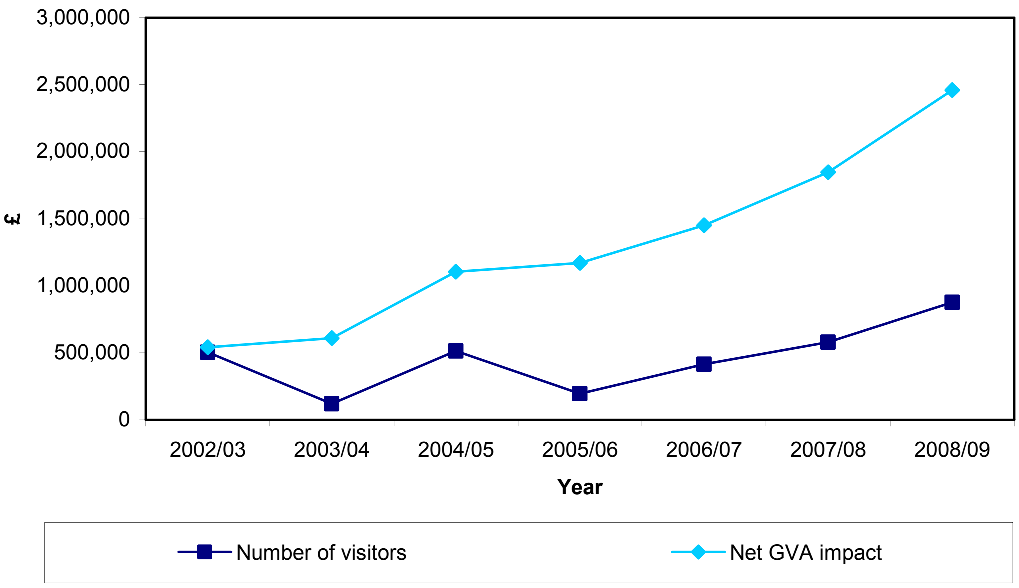
Table 4-7: Gross outputs

	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Number of visitors	503,153	121,286	513,838	195,180	415,511	580,570	876,668
Visitor spend (with persistence)	£425,756	£497,213	£930,600	£1,021,048	£1,309,605	£1,724,494	£2,376,284
Net GVA impact	£541,681	£611,202	£1,105,261	£1,171,676	£1,451,982	£1,847,321	£2,459,454

Source: SQW Consulting

4.102 Since 2002/03, the net GVA impact resulting from visitor spend has more than trebled, from £601,868 to £2,326,124. The total present GVA values resulting from visitor spend from 2002/03 to 2008/09 with ten years of persisted benefits is £20,085,629.

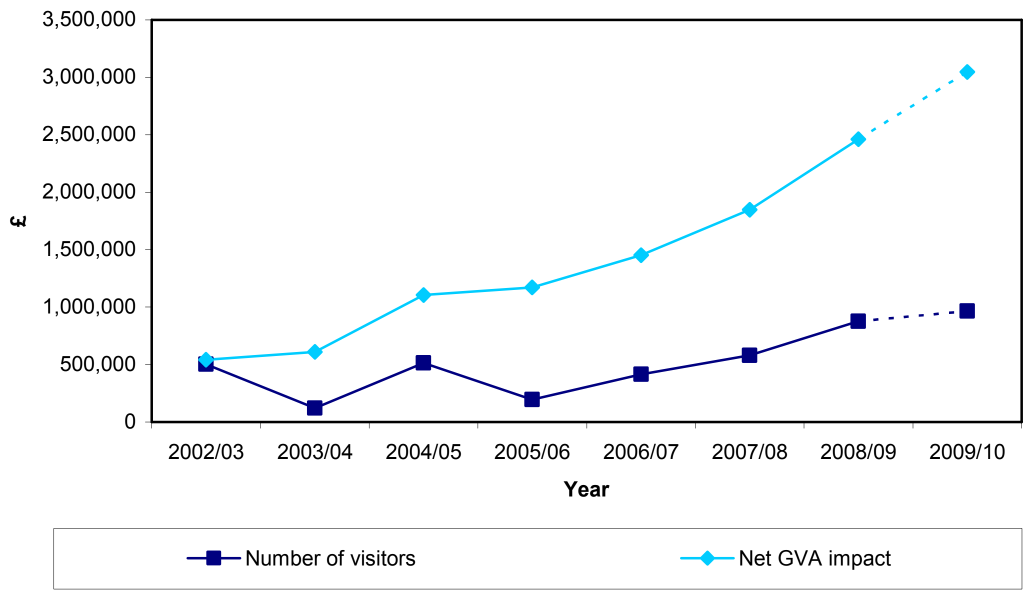
Figure 4-2: Number of visitors and net GVA impact



Source: SQW Consulting

4.103 In order to allow for increasing visitor numbers, we have also calculated a forecast for GVA based on a potential increase in visitor numbers by 10% from 876,668 2008/09 to 964,335 2009/10. Such a growth in visitor numbers would result in a total GVA value from visitor spend of £25,542,628, more than £5m more than under the previous scenario. This shows clearly that effective efforts to increase visitor numbers will have substantial positive economic impacts for the region.

Figure 4-3: Number of visitors and net GVA impact (including forecast)



Source: SQW Consulting

Summary

4.104 The total GVA impact created as a result of investment in cultural infrastructures to date has been calculated at **£68,281,541**. This includes the GVA impacts created since the venues have opened/re-opened from jobs created and visitor spend up to 2008/09 and ten years during which these actual achieved benefits are expected to persist into the future.

4.105 It is our assessment that this is an extremely positive finding as a result of less than two years of activity at the venues since completion of the capital programme. Additional GVA will be created in future years through job creation and visitor spend and these impacts will supplement the existing economic impact of £68 million.

5: Conclusions and recommendations

5.1 This chapter pulls together conclusions and formulates a range of recommendations that might help further to increase the range of impacts generated by the eight projects.

Economic impacts

5.2 Economic impacts flow predominantly through four channels: (a) **direct employment**, (b) the **visitor economy** and (c) an **improved business environment** associated with the cultural projects leading to growth and efficiency gains of local businesses and inward investment and (d) a wider impact on **image and place** regeneration.

5.3 With respect to **direct employment**, the eight initiatives are major employers in their own rights, providing full and part time jobs to some 873 people (and increase by some 484 posts when compared with 2005/06) and in addition giving volunteering opportunities to some 200 individuals.

5.4 With respect to direct employment, the persistence of positive economic impacts will ultimately depend on the financial sustainability of the projects. While there is strong evidence that at regional aggregate, the eight venues have considerably improved their financial sustainability, this regional picture hides individual variations with some venues being on significantly stronger foundations than others. Underlying these variations in sustainability are a range of issues including different business models, marketing approaches and management and organisation concerns. Issues include:

- **programming** pitched at attracting both local, regional and national audiences and treading a careful balance between satisfying local demands but also making national waves. There are some good practice examples such as QUAD's Format photography festival which received rave reviews from local as well as international audiences[25], Royal & Derngate's role in the 'Crackers' event [26], Broadway's activities to launch more cinema festivals and the opening of Nottingham Contemporary which attracted excellent national media coverage
- **audience development** to increase the number of first time and repeat visitors. Our audience survey suggests that in aggregate visitors are satisfied with the visitor experience, appreciate the qualities of the venue and are very likely to come again and recommend the venue to their friends. However, wider stakeholder feed-back has also revealed that there is scope for venues to do more in terms of audience development and encouragement of non traditional audiences. Again, there are some good practice examples in this domain such as the educational work undertaken by many of the venues; Royal & Derngate's collaboration with the University of Northampton on jointly offering a BA (Hons) Acting course is seen as exemplary as

[25] www.artscouncil.org.uk/news/derby-quads-format-photography-festival-named-as-one-of-top-43-wordwide
[26] www.guardian.co.uk/stage/2009/sep/26/crackers-northampton-delapre-abbey-gardens

is Curve's community production of His Dark Materials (with some sadness expressed by beneficiaries that there will not be any similar experience for a while)

- **marketing and promotion**; there would appear to be scope for more vigorous and joined up marketing and promotion including joint ticketing. A number of venues in Nottingham are currently investing in a very sophisticated ticketing system (Tessitura) which comprises tools for marketing, ticketing, fund raising and much more. It was originally developed by the Metropolitan Opera for its own uses and is now commercialised internationally; the system is already used independently by Royal & Derngate
- the size of the revenue stream flowing from **ancillary activities** such as bar, restaurant and franchising. Some of the venues are generating a significant and increasing revenue stream from their add on services while others are struggling due to a variety of reasons including insufficient staff resources devoted to this activity or issues concerning the building infrastructure
- for cinemas, the **number and size of screens**; Broadway's four screens allow it to show blockbuster films as well as more niche and specialist programmes in parallel; QUAD's two screens give fewer opportunities for such cross-subsidisation.

5.5 The development of the **visitor economy** is closely linked with the quality of marketing and promotion undertaken by the venues individually as well as at regional or sub-regional configurations. Feed-back from stakeholder consultations highlights that there might well be scope to increase marketing and promotion to people outside the region. While there is a realisation that the eight projects are very different and all have their own specific target markets, given the sizeable investment undertaken at the regional level, there appears to be scope to promote the East Midlands as a cultural visitor destination. There is general appreciation that the East Midlands does not have a clearly and/or easily defined tourism profile and therefore it is not immediately obvious whether such promotion should be organised at the regional level or in closer cooperation between the county-based tourism destination partnerships. Despite the need further to explore how to do it, there is nevertheless general appetite to explore different approaches.

5.6 The impacts on the **business environment** surrounding the venues are still in their early stages and will take more time to develop. While there are a few positive anecdotes (such as the importance attached to Curve for John Lewis to locate to Highcross in Leicester), the full extent of these impacts are likely to materialise over a longer time period. However, while businesses do not directly attribute significant positive impacts of the venues on their own business performance, they do comment positively on the impact on the general business environment of their locations. It is not unusual for entrepreneurs to be guarded on the impact of environmental factors on their own business while being more positive about what external changes might mean for others.

5.7 With respect to wider impacts on **place regeneration**, there is a range of evidence which may or may not be totally attributable to eight cultural venues but which is nevertheless worth recording. This concerns a shift in image and perception of the places in question. For example, evidence from Nottingham suggests that the three cultural capital projects are helping to shift Nottingham's reputation as gangland and crime capital of the United Kingdom to that of being a well endowed cultural city with a wide range of opportunities. [27]Landing the seventh British Art Show in 2010, as well as becoming host city for the 2012 World Event for Young Artists, would not have happened without having two new visual arts facilities as well as the existing arts and culture infrastructure of the city. Similarly, evidence from Derby suggests that QUAD has become a crucial component of the city's place marketing, both for inward investors as well as for tourists.

Cultural impacts

5.8 All eight projects have experienced cultural highlights in the period since opening and these are referenced in the venues dossiers as well as those referred to earlier in the main body of the report. In terms of attendance, this has increased dramatically, trebling from just under 200,000 in 2005/06 to over 875,000 in 2008/09. Despite the recession, attendance figures are expected to rise further; Nottingham Contemporary alone attracted 39,000 visitors in the first few weeks of its opening.

Social impacts

5.9 There was an overwhelmingly positive result with respect to impacts on respondents' sense of pride in their city. The regional finding was mirrored at the sub-regional scale. Positive impacts were recorded from people with different backgrounds and needs including children, young people, single mothers, older people, disabled people and those afflicted by worklessness.

5.10 Attendance at educational, vocational outreach and training programmes increased less dramatically and indeed there was a fall experienced between 2007/08 and 2008/09. There may be concerns that some venues are not finding enough time and energy to devote to educational activities.

5.11 Also, the number of individuals volunteering at the organisations increased by only just over forty between 2005/06 and 2008/09. We expect there to be a more significant increase for 2009/10 and future years as the organisations settle down after the completion of the capital programmes.

Management and organisation

Development and construction

5.12 Not surprisingly for capital projects of this nature, all projects encountered a certain degree of overspend and delay. Some of these problems have been much more pronounced than others; the Peepul Centre overspent its capital funding by about £4m, Nottingham Contemporary by about £7m and the Curve by about £30m. Some of the venues opened with delays such as

[27] For evidence on the broad direction of travel see oneplace: Nottingham City Council. Organisational Assessment 9 December 2009

Nottingham Contemporary which was due to open during 2008 and eventually opened in November 2009.

5.13 Many of these problems were due to technical difficulties in implementing iconic design and/or coping with difficult site conditions and as such may by par for the course of such ambitious building projects. However, it appears that all building projects had to go through their own crisis management processes and there was relatively little cross-cutting and generic help. If there was ever a new portfolio of projects, it might make sense to provide more central capital project management.

5.14 Indeed, capital project management processes varied between projects; some were entirely within the responsibility of the venue, some where within the local authority partner and others had sub-contracted separate project management.

Sustainability management

5.15 All venues have their own business models and are aiming to achieve their own sustainability models. Given the severity of the recession, some have successfully applied for Arts Council sustainability funding.

5.16 There would appear to have been merit in having a closer alignment between the capital projects, business models and sustainability considerations. This issue is less urgent for the existing initiatives (Broadway, Royal & Derngate) and more pressing for the new ones who have no experience base to guide them through difficult times. This is a role which to some extent is being played by Cultivate which is working with regional arts organisations on audience development and sustainable business models but it may be that the scale and scope of the capital projects required more hands-on and practical assistance.