



Economic Strategy Research Bureau

East Midlands Cultural Capital Longitudinal Evaluation

*A study co-funded by EM Media on behalf of
Arts Council England,
English Heritage and Sport England*

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This report, which has been prepared by the ESRB at Nottingham Business School, presents findings from an evaluation of a number of cultural capital investments undertaken in the East Midlands. The reports presents new findings that can be used to inform the economic and social case for future investment in artistic and cultural facilities.

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The Steering Group

Debbie Williams

Brian Ashley

Paul Bodenham

Russell Turner

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Fiona Allan

Max Boden

George Cowcher

Nick Ebbs

Jeremy Hague

Richard Hamblin

Keith Jeffrey

Peter Knott

Steve Mapp

Cathy McArdle

Lisa Opie

Lynn Oxborrow

Anne Priest

Anne Rippon

Juliana Sarndon

Peter Shelton

Alison Simpson

Mark Stephens

Anthony Streeten

Martin Sutherland

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Economic Strategy Research Bureau, Nottingham Business School

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Executive Summary

Context for this Longitudinal Evaluation Project

In 2008/9, a research project investigating the impact of investments in cultural capital projects was initiated by the Arts Council, the East Midlands Development Agency (*emda*) and a partnership of interested organisations. The purpose of the project was to assess the initial impact of investments were made in the following venues: Nottingham Contemporary, New Art Exchange, Broadway, The Quad, The Level Centre, the Royal and Derngate Theatres, The Curve and the Peepul Centre.

An interim evaluation report was published in September 2010, which summarised the findings from this early study undertaken by SQW and BOP Consulting. However, following the announcement of the abolition of the Regional Development Agencies, the project was suspended due to a lack of funding in 2010.

The interim evaluation was undertaken too early in the programme lifecycle to establish the full impacts associated with capital investments of this size and nature. It did, however, provide evidence on the nature and scale of early impacts.

The Economic Strategy Research Bureau at Nottingham Business School, Nottingham Trent University (NTU) was commissioned by EM Media in association with Arts Council England to update the interim evaluation. The findings from this new project that are set out in this report provide new insights that aim to inform the economic and social case for future investment in creative and cultural activities, contributing to the aims of the original proposed longitudinal evaluation.

Evaluation Method

In the interests of consistency, this study utilises the evaluation framework applied by SQW and BOP Consulting in the interim evaluation. Consistent with established practice, this approach identifies two basic categories of economic impact – visitor expenditure and venue expenditure/employment. Adjustments were made to take account of factors such as displacement, leakage and multiplier effects. Given the inevitable challenges associated with establishing the scale of regional multiplier effects, we present impact estimates based on higher and lower multiplier scenarios. We also present impact estimates based on the sample of venues with and without the Peepul Centre's inclusion. This reflects the changing ownership and use of the Peepul Centre during the period covered by this study.

Feedback from the venues covered by the study and steering group members highlighted concern that the interim evaluation had been unable to capture the full breadth of the impacts delivered by the venues. For this reason, the quantitative economic evaluation has been supplemented by a programme of interviews with stakeholders in order to document some of the less quantifiable impacts associated with the venues under consideration.

Context

The extent and duration of recession during which a number of the venues opened has been much greater than was initially expected, with the recovery of the UK economy in 2010 giving way to a second recession in 2011 and subsequent uncertain recovery. However, a stronger recovery has taken hold in the first half of 2014. The national and local policy context for arts and cultural

investment has also changed significantly since the advent of the Coalition Government in May 2010, especially with on-going budgetary austerity, which has had a number of highly publicised impacts on funding for the arts.

The venues that form the basis of this study are part of the wider visitor economy in the region. Other key assets that form part of this visitor economy include the following:

- The Derwent Valley Mills World Heritage Site;
- Over 650 scheduled monuments. Around 75% of these are in Derbyshire, with the Derbyshire Dales alone accounting for around 45% of the total in the D2N2 area;
- Over 10,500 listed buildings, again with the largest share in the D2N2 area in Derbyshire and the Derbyshire Dales in particular;
- More than 30 registered parks and gardens, with the Derbyshire Dales again accounting for the highest share; and
- Iconic sporting venues such as Trent Bridge Cricket Ground.

In 2011 there were 93 million day visits to the East Midlands, worth around £3.5 billion to the regional economy. Among the venues that are part of this study, Nottingham Contemporary was the 3rd most visited free entry attraction in the region. Although definitions make identifying the scale of employment difficult, data published as part of the Culture and Sport Evidence (CASE) programme of research suggests that around 3.3% of employment in the region (around 120,000) is in cultural and sporting activities, which is lower than the average of 5.5% for England.

Key Findings from the Economic Impact Study

On the basis of our low multiplier assumption the venues have generated between £79.9m and £81.5m of net additional economic activity between 2008/09 and 2011/12, depending on whether we include the Peepul Centre in our sample. The equivalent figures for our high multiplier assumption are £83.2m to £89.4m. We can therefore conclude that the venues have had a significant impact on levels of economic activity during this period.

It is noteworthy that this economic impact has been delivered in an extremely challenging economic environment following the onset of recession in 2008. While all of the venues have had to adapt their business models in the face of difficult economic conditions, these impact estimates demonstrate that the venues funded under the Arts Capital Programme have delivered and continue to deliver significant economic benefits to the local economies in which they are situated.

In addition to these economic impacts, the venues covered by this study have delivered large scale community arts and education initiatives that have reached large numbers of young people and adults. Across the venues a total of over 95,000 participated in these activities in 2011/12.

Reported satisfaction with the venues is generally high, in excess of 90% for overall visitor experience and specifically for the venue/building. Visitors are, in general, very positive about the investments made in both the physical fabric of the buildings and the artistic and cultural activities that takes place within them.

Key Findings from Venue Interviews and Site Visits

Without exception, respondents highlighted the importance of understanding non-economic impacts of the contribution of the venues to their communities to be fully understood.

It is evident both from site visits and interviews that choice of location has had significant bearing (both positively and negatively) on the usage and financial viability of the venues included in this study. The QUAD and Nottingham Contemporary clearly benefit in these terms from their relatively central and well-connected locations. The Curve does not share this advantage – as a function of the regeneration objectives of the wider Cultural Quarter initiative of which it is a part.

A number of the venues were seen as fulfilling specific functions in the context of local regeneration initiatives – although the specific nature of these roles varied considerably.

Despite the difficult economic environment of recent years all continue to operate – although one has significantly changed its use. Notwithstanding positive feedback about the venues ability to adapt to operating in a depressed economic environment, a number of venues felt that their initial business plans had been optimistic. This may link to the nature of the process whereby project teams had to bid competitively in order to secure capital funding for planned development.

In the case of new-build venues, the importance of audience development work in advance of the venue opening was highlighted by several respondents.

Concerns over access to and the nature of public funding were noted by some venues - some suggesting a tension between the need to be more commercial to generate revenue and the need to deliver a programme of appropriate artistic merit/quality. Reliance of some venues on a range of funding from different sources was also seen to be problematic and appears to have complicated the operation of some venues. This may particularly be the case where different funding bodies required differing project outputs and outcomes.

Key Findings from Stakeholder Interviews

The tenor of the majority of stakeholder interviews was positive about the venues contributions to the region:

“... all [the venues] have extended the offer that the cities give and that is important in demonstrating to business leaders that you have something to show – a rich cultural offer”
[local business leader].

Through its investment in iconic architecture/arts venues, the Arts Capital Programme was said to have brought something *“distinctive and different from the normal historical or museum or arena type venues”* to the region. The programme was also said to have fulfilled an important *‘demonstration’* function in showing what could be achieved in the East Midlands. The venues and the amenities that they provided were said to be *“an expression of the maturity of the society and the economy that we have”*.

Both business representatives and property professionals highlighted the importance of the region’s *‘cultural offer’* to its ability to attract inward investment.

Provision of cultural amenities attractive to highly skilled, professional and technical staff was seen as particularly important from the perspective of major employers in the region. Similar observations were also made in relation to the region's ability to attract students.

"The region has two iconic brands – the Peak District and Robin Hood – but this is underpinned by the cultural offer... One of the weaknesses that we have is the external image of the East Midlands and the Three Cities [Nottingham, Derby and Leicester] is quite poor" [local business leader].

The Nottingham city centre venues were described as being key visitor destinations that are positioned nationally and internationally. Similarly, the Curve in Leicester, QUAD in Derby and the Royal and Derngate were all identified as providing key attractions that drew visitors to their respective urban centres. A number of the city centre venues were described as assets central to local economic development and regeneration strategies and plans. The specific roles that particular venues were felt to fulfil varied significantly as a function both of location and venue type.

Conclusions

This study has provides a positive picture of impact for the venues reviewed - both in terms of quantifiable economic dimension and less tangible aspects of 'place making' and amenity value to local communities. Key findings can be summarised as:

Arts Venues and Regeneration

1. Decisions taken at the planning stage can have long lasting impacts on the operation of venues. In some cases there was a tension between attempts to use arts venue investment as a driver or catalyst for local regeneration and the potential of venues to generate commercial revenues that can cross-subsidise artistic and community based service provision.
2. The study has revealed contrasting approaches to the use of investment in arts venues to support local economic development and regeneration. Broadly, the cases reviewed as part of this study can be divided between those that had a very clearly defined spatial focus, those that sought to support the development of a wider 'cultural offer' and those that were primarily intended to support community service provision.

Current Operation

3. A number of the venues reported tensions between the requirement to deliver programmes of artistic merit and the need to generate commercial income.
4. As is to be expected, all of the venues have been impacted by the recession – having to revise business plans/approaches in light of the difficult economic environment they have had to cope with since 2008. Also the sector has been affected by the changing nature and extent of Local Authority funding as a result of austerity measures within the public sector. Neither of these issues could have been anticipated at time when these investments were planned.

Considerations for Future Development

5. All of the venues explored through this study were planned in the relatively benign economic environment of the early to mid-2000s, but have had to cope with far more challenging

operating environments. Without exception, this has required changes to business plans and operating models. Several of the venues reported that initial business plans had proved optimistic. Developers of future projects should give careful consideration to the risks associated with optimism bias at the planning and appraisal stage of the project lifecycle.

6. The experience of the new-built venues included in this study has demonstrated very clearly the importance of pre-opening audience development work as a necessary foundation for the delivery of viable visitor numbers post opening.

1. Introduction

In 2008/9, a research project investigating the impact of investments in cultural capital projects was initiated by the Arts Council, the East Midlands Development Agency (*emda*) and a partnership of interested organisations. It was originally planned to be a longitudinal evaluation undertaken over 7 years, which would seek to estimate economic and other impacts associated with a programme of investment in arts and cultural venues/facilities situated in the East Midlands region. The original project timescale aimed to allow long-term impacts to be assessed. An interim evaluation report was published in September 2010, which summarised the findings from an early study undertaken by SQW and BOP Consulting. However, following the announcement of the abolition of the Regional Development Agencies, the project was suspended due to a lack of funding in 2010.

The venues included in the programme are:

- The Broadway Cinema, Nottingham Contemporary Gallery and the New Art Exchange in Nottingham;
- The Curve and the Peepul Centre in Leicester;
- The QUAD in Derby;
- The Level Centre in Rowsley, Derbyshire; and
- The Royal and Derngate Theatres in Northampton.

This interim evaluation was necessarily undertaken too early in the programme lifecycle to establish the full impacts associated with capital investments of this size and nature. It did, however, provide a useful indication of the nature and scale of early impacts.

The Economic Strategy Research Bureau at Nottingham Business School, Nottingham Trent University (NTU) have been commissioned by EM Media in association with Arts Council England to update the interim evaluation – enabling a more comprehensive assessment of the long-term impacts associated with these investments.

It is hoped that this study will present a more holistic view of the impacts of investments in cultural capital. It will revisit and update the earlier SQW/BOP report, with an expanded treatment of the economic and social conditions affecting the venues' catchment areas and the wider East Midlands region. Recent management information collected by the venues will be analysed alongside a new programme of qualitative stakeholder and beneficiary interviews, augmented by additional quantitative data collection from beneficiaries and partners where necessary. The findings from this new project, as set out in this report, provide new insights that aim to inform the economic and social case for future investment in creative and cultural activities, contributing to the aims of the original longitudinal evaluation.

2. Context

The following section describes the changing economic context affecting the UK, the East Midlands region and the Local Authority catchment areas of the eight venues. Since the original investments in the programme were made, economic conditions have changed substantially. The UK has experienced a protracted and deep recession and output in the UK remains below the pre-recession peak of 2007. A number of the venues that form part of this study opened during this time and have yet to experience operation in a period of (long term) trend growth.

The national and local policy context for arts and cultural investment has also changed significantly since the advent of the Coalition Government in May 2010, especially with on-going budgetary austerity, which has had a number of highly publicised impacts on funding for the arts. This policy context will be summarised in this section, preceding a series of short socio-economic profiles describing the latest data for the Local Authorities that will be presented as proxies (due to data availability) for the catchment areas around the eight venues, as follows: Nottingham City Unitary Authority (which includes Broadway Cinema, the Nottingham Contemporary and the New Arts Exchange); Leicester City Unitary Authority (including the Curve and Peepul Centre); Derby City Unitary Authority (the Quad); Derbyshire County (the Level Centre); and Northampton Local Authority District/Northamptonshire County (the Royal and Derngate Theatres).

2.1 National and Regional Economic Context

Since the publication of the SQW/BOP interim evaluation, the economic context for the on-going impact of the capital investment programme has changed significantly. The extent and duration of recession has been much greater than was expected, with the recovery of the UK economy in 2010 giving way to a second recession in 2011 and subsequent uncertain recovery. The authors of the interim evaluation noted that the recession of 2008/09 may have muted the indirect and induced impacts of the programme, and – in line with many commentators at the time – predicted ‘fuller’ impacts to be observed in the future, following a recovery in the national and regional economies:

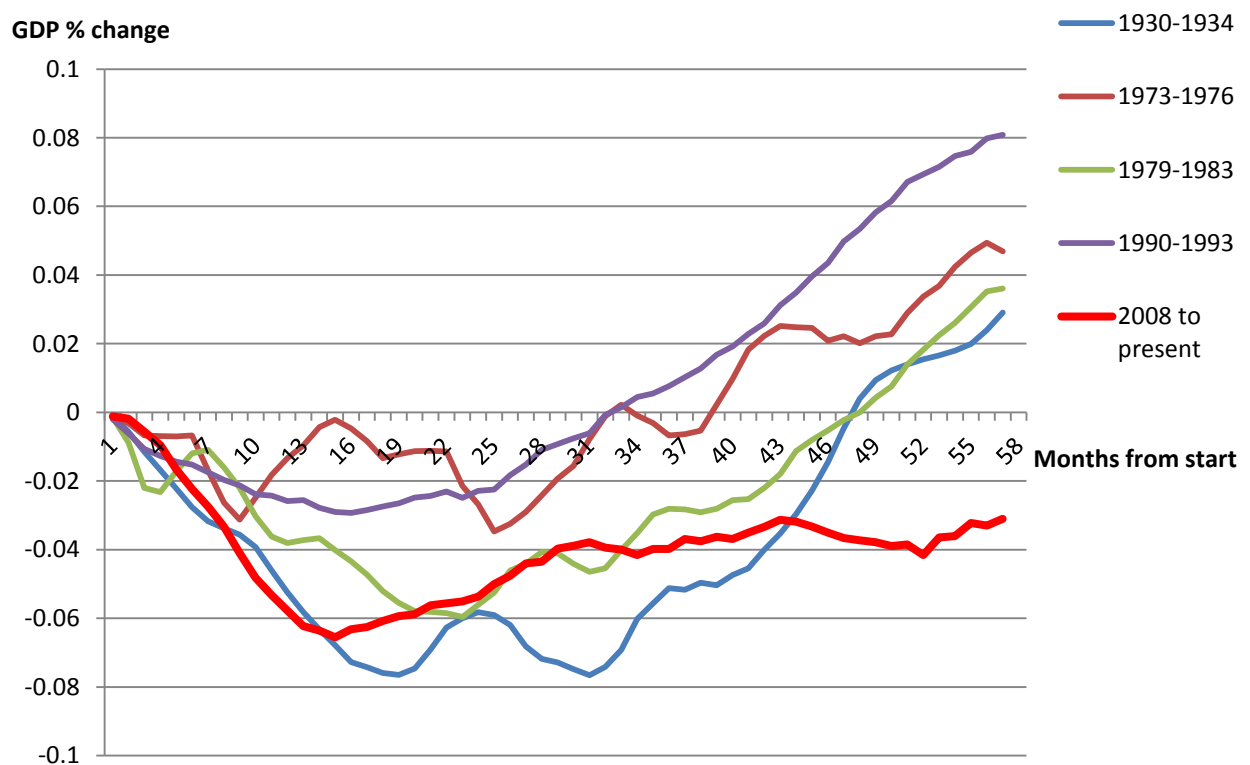
“The opening of the eight projects coincided with one of the most severe recessions the UK has experienced for more than ten years, impacting on consumer expenditure on arts and culture... and property development that may have been sparked by the opening of some of the venues has been dampened accordingly. Therefore, the economic impacts resulting from the venue openings may not have been experienced at their fullest level and time will bring further impacts.” (SQW/BOP 2010, page iv)

The authors could not have known that the UK was in fact entering the most severe recession since the Great Depression. As a consequence, this new study will explore how the eight venues have adapted their business models in light of the harsher than anticipated economic climate.

Data now available from the Office for National Statistics demonstrated that UK output (quarterly GDP) contracted much more severely than in previous recessions and has yet to achieve the sustained bounce-back observed following the recessions of the early and late 1970s and early 1990s. Between the first quarter of 2008 and the second quarter of 2009, real GDP fell by 6.3%. (ONS, 2012) Subsequently, in the second recession, between the third quarter of 2011 and the second quarter of 2012, output fell by 1 per cent. Chart 1 below shows the trend in UK output from the first point of

negative growth in each recession (1930-34, 1973-1976, 1979-83, 1990-93, and 2008-present) up until 57 months from that point, based on estimates of monthly GDP produced by the National Institute of Economic and Social Research. This shows that the UK economy has yet to experience a recovery comparable to previous recessions, including the 1930s (where relatively robust recovery started about 32 months after the first point of negative growth).

Chart 1: UK GDP Growth (NIESR modelled monthly estimates), 2008-present compared to previous recessions



Source: NATIONAL INSTITUTE of ECONOMIC and SOCIAL RESEARCH, November 2012. 'Monthly GDP Estimates', www.niesr.ac.uk [accessed 10th January, 2013].

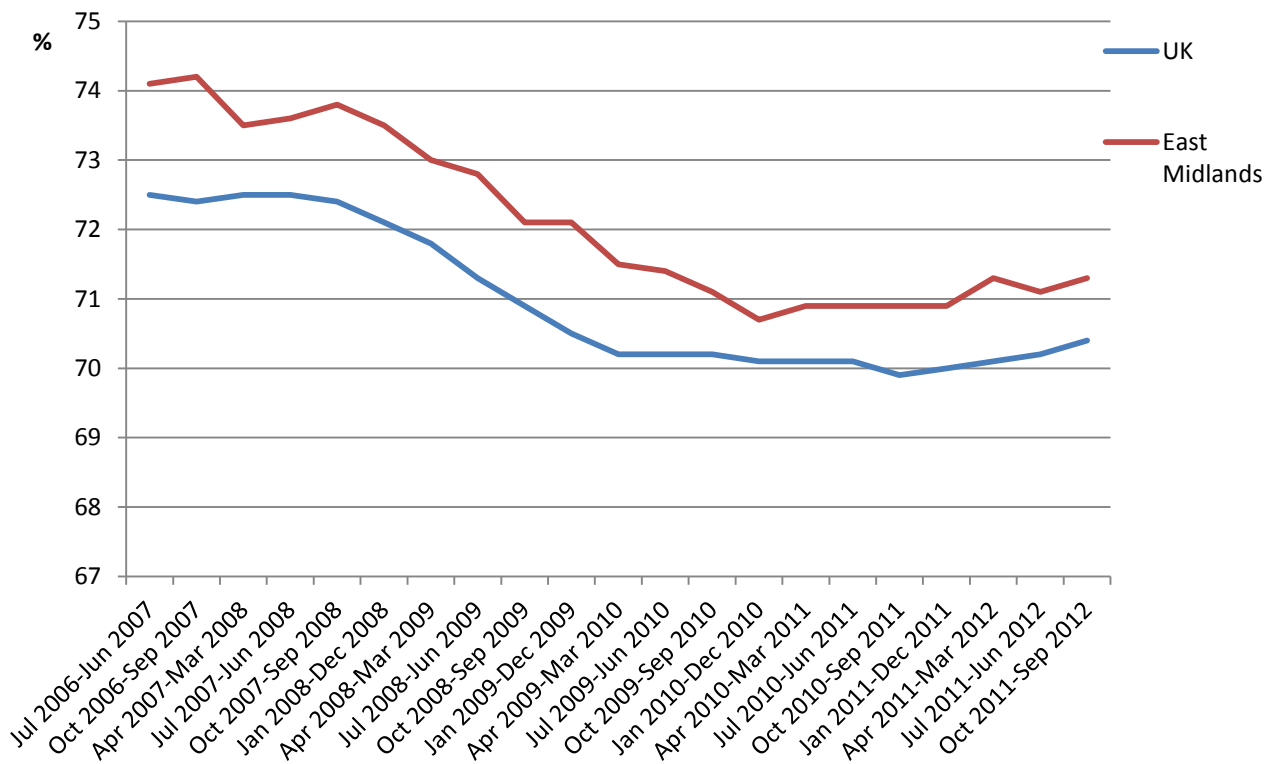
According to the Office for Statistics, the UK emerged from recession in the third quarter of 2012, growing 0.9% on the previous quarter (ONS, December 2012). The initial estimate for growth in the 4th quarter suggests that the economy contracted and that over the course of 2012 the UK economy has been flat. Recovery is expected to remain weak throughout 2013.

However, the labour market in the UK appears to have fared significantly better than expected – at least at an aggregate level. Whilst output fell by 6.3% between quarter 1 2008 and quarter 2 2009, employment fell by just 2%. (ONS, 2012) The latest UK employment rate is 70.4% (for the 12 months to September 2012). This remains below the pre-recession level (73%), but the rate of employment has been relatively stable between 2010 and 2012, despite the contractions in output (as shown in Chart 2). More recent monthly estimates indicate increasing employment rates through 2012,

although the rate of increase appears to have slowed towards the end of the year.¹ This is a very different experience to previous recessions, leading to much debate about the 'productivity puzzle'².

Chart 2 also shows that employment rates for the East Midlands region have tracked the national trend very closely, falling through 2008 and 2009 before stabilising from 2010. The rate of employment has remained slightly higher than average in the East Midlands throughout the period. The latest employment rate for the East Midlands, for the 12 months to September 2012, is 71.13%. This is lower than the pre-recession rate for the region, which was 74.1% in the 12 months to June 2007.

Chart 2: Employment rates, East Midlands and UK, quarterly rolling averages, 2007-2012



Source: ONS Crown Copyright, 2012. 'Annual Population Survey', from NOMIS [accessed 27th March, 2013].

Unemployment rates (according to the ILO definition)³ in the East Midlands have also followed the national trend very closely, increasing through 2008 and 2009 and then stabilising in 2010, before falling slightly in 2012. The more recent monthly data from the ONS (with each release based on 3 months' data) shows that unemployment in the UK fell from 8.1% to 7.8% between the 3 months to July 2012 and the 3 months to January 2013, and from 8.3% to 7.7% in the East Midlands.

¹ ONS Crown Copyright, December 2012. 'Labour Market Statistics, March 2013'. London: TSO.

² See for example ONS Crown Copyright, October 2012. 'The Productivity Conundrum: Explanations and Preliminary Analysis'. London: TSO.

³ The International Labour Organisation (ILO) definition classes an individual as unemployed if they are out of work but currently available for and actively seeking a job. This is not dependent on whether or not the individual is claiming unemployment benefit, and is thus unaffected by changes to benefit entitlement.

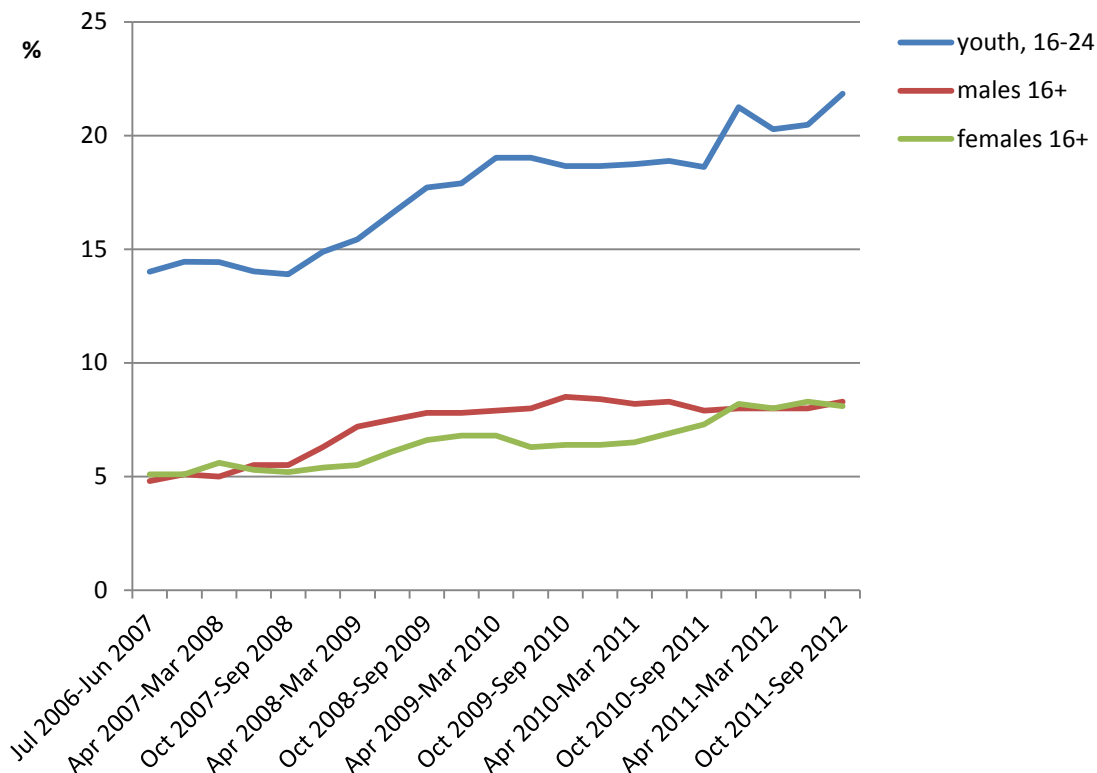
Although the headline employment trends for the UK and the East Midlands are relatively stable, they conceal a number of developments of relevance to this project. Recent data suggests that particular groups of the population have been more adversely affected, particularly women and young people (16 to 24 year olds). Chart 3 shows the ILO unemployment rates for men, women and young people in the East Midlands region between the 12 months to June 2007 (prior to the recession) and the latest available data (October 2011-September 2012). Young people in the region have been particularly adversely affected by the impacts of recession, with the youth unemployment rate increasing from 14% to 21.8% (compared to 14.1% to 21% for young people in the UK overall).

There are a number of factors that affect how well young people are able to compete in the labour market, such as more limited skills and experience (they have had less time to accumulate human capital compared to older, more established workers). Subdued recruitment activity and increased competition due to the higher rate of unemployment across the working population (there are approximately 5 unemployed people for each job vacancy advertised through Jobcentre Plus) partly explain why young people may be relatively disadvantaged. The impact of the recession on certain sectors could also have had a disproportionate impact on youth employment. Young people are more likely to work in 'entry-level' jobs, which require lower levels of human capital, such as in retail or hospitality. These sectors have reduced their demand for labour, as they are particularly affected by the squeeze on household income (i.e. reduced consumption), which will be discussed later. Employer surveys have also suggested that the recession has meant that they have been less able to take on trainees or Apprentices. (UKCES, 2012)

Chart 3 also shows that female unemployment in the East Midlands has followed a quite different trajectory to male unemployment. This is closely related to gender differences in the structure of employment by sector. Male employment is overrepresented in manufacturing and construction (together accounting for about 30% of male employment), with sectors such as banking & finance, distribution, hotels & restaurants, and public administration, education & health each accounting for between 15% and 20%. However, female employment is highly concentrated in just two broad sectors, with distribution, hotels & restaurants and public administration, education and health accounting for 20% and 45% respectively of total female jobs.

The increase in male unemployment between the 12 months to June 2007 and the 12 months to June 2009 (from 4.8% to 7.5%) can be associated with the job losses in manufacturing and construction during the earlier stage of the recession. However, whilst male unemployment in the East Midlands stabilised through 2010-2012 at 8% (rising to 8.3% in the period October 2011-September 2012), female unemployment has increased through much of this period (from 6.3% in the 12 months to June 2010 to 8.1% according to the latest estimate). This could be due to the impact of public sector job losses from 2010, which have disproportionately affected women (given the concentration of female employment in the public services), along with job losses in distribution, hotels & restaurants – a sector which also includes retail – which has been particularly affected by the squeeze on household income over the period. Historically, men have consistently had significantly higher rates of unemployment – so it is unprecedented that unemployment rates for men and women are now almost equal.

Chart 3: East Midlands unemployment rates by age and gender (% economically active residents), quarterly rolling averages, 2007-2012



Source: ONS Crown Copyright, 2012. 'Annual Population Survey', from NOMIS [accessed 27th March, 2013].

An initial reaction to the data presented above may be that this has been unambiguously bad for the arts and cultural activities. However, feedback from a number of the venues (which is elaborated upon in Section 4) suggests that this may be too simplistic. A number of the venues offer free admission and part of the offered explanations behind increased footfall in some venues is that they offer a less expensive day/night out than other leisure activities. This has also been reported by venues that have a cinema as part of their offer- the price of a film offers good value for an evening's entertainment. While economic conditions and the resulting squeeze of incomes may have had an impact, for most of the venues it is the impact of the recession on public finances that has been a significant pressure on operations. A number of venues have responded by adopting a more commercial outlook (changing the balance between commercial and arthouse fare in cinema operations for example) but this does generate tension with their original aims and objectives. The following section provides some key contextual data for visitor destinations.

2.2 Sector Context

To provide additional sector specific context, we present below headline data on visitor numbers, key destinations, visitor spend and estimates of employment and the number of businesses within the arts, creative and cultural and related sectors.

Visitor Numbers and Expenditure

While clearly much broader than the focus of this study, covering visits and associated expenditure for a range of activities that will include visits to the types of venue studied in this report, it nevertheless provides an indication of how the economic conditions outlined above have impacted on attractions and visitor activity in the region.

Data on visitor numbers is available for both domestic and international visitors and for day visitors, with some information available on the purpose of the trip.

For domestic tourism⁴ the number of trips, bednights and expenditure fell between 2009 and 2010 before recovering in 2011. In Great Britain in 2011 there were:

- almost 127 million trips, an increase of 9% from the previous year;
- 387 million bednights, an increase of 7% from the previous year; and
- total expenditure of almost £23 billion, an increase of 14% from the previous year.

In the East Midlands in 2011 there were around 9 million trips, 25 million bednights and total expenditure of around £1.3 billion.

The number of international trips to Great Britain is obtained from the International Passenger Survey. Unfortunately this does not disaggregate data by region and instead reports on Central England, which includes the East Midlands, West Midlands and East of England. This data shows that there were 4.4 million visitors to the Central England region, spending £1.7bn in 2011. The number of overseas visitors to the region increased slightly between 2010 and 2011 but remains below the recent peak of 4.9 million in 2008. Compared to England the Central England region has underperformed slightly in terms of recent trends in international visitors.

More detailed data is available for day visitors and this may be the most relevant market for the venues that are part of this study. The most recently available data shows that⁵:

- In 2011 there were 93 million day visits to the East Midlands, 6% of the total for the UK. These visits to the East Midlands were worth around £3.5 bn;
- The East Midlands had the highest level of spend per visitor of the English regions in 2011, at £38 per visit. This compares to an average of £34 per visit for the UK;
- Of these 93 million visits, around 8 million (8.6% of the total) had going to visitor attractions or special public events (the two categories that most closely match the purposes of the venues studied in this report) as the main activity of the visit. This is above the average of 7.7% for the UK;
- Around 56% of day visits in the East Midlands originate in the region. This is the lowest proportion of any of the English regions. Yorkshire and the Humber, the East of England and the West Midlands are the most significant originators of visits to the region. These three regions are also the largest destinations from the East Midlands; and

⁴ Domestic tourism data for Great Britain and the East Midlands are taken from *GB Tourist Statistics 2011*, Visit England, Visit Scotland and Visit Wales.

⁵ Day visitor data are taken from *GB Day Visitor Statistics 2011*, Visit England, Visit Scotland and Visit Wales.

- Within the East Midlands the breakdown of day visits in 2011 was as follows: Derbyshire (23m visits, £674m expenditure), Leicestershire (16.9m visits, £479m expenditure), Lincolnshire (18m visits, £455m expenditure), Northamptonshire (8.4m visits, £230m expenditure) and Nottinghamshire (23.1m visits, £1,589m expenditure). The city of Nottingham is reported to be the 12th most visited local authority in the country accounting for 12.1m of the visits and £1,229m of expenditure in Nottinghamshire (it should be noted that the figures for Nottingham and Nottinghamshire are based on relatively small sample sizes and should be treated with caution).

Key Destinations

Data on key destinations in the region suggests that only one of the venues that forms part of this study appears in the list of most visited attractions. In 2011 Nottingham Contemporary was the third most visited free attraction in the region, behind Rufford Abbey & Country Park and Sherwood Forest Country Park. These attracted 499,000 and 337,000 visitors respectively compared to around 250,000 for Nottingham Contemporary. None of the venues in this study appeared in the list of the top 20 paid entry attractions in the region, which was headed by Chatsworth House (with over 722,000 visitors). The 20th paid entry attraction and free entry attractions reported visitor numbers of 69,200 and 59,700 respectively. It should be noted that data contained in the study venue's annual accounts and reports suggest that six of the eight venues had attendances greater than these.

Size of the Creative and Cultural Sector in the East Midlands

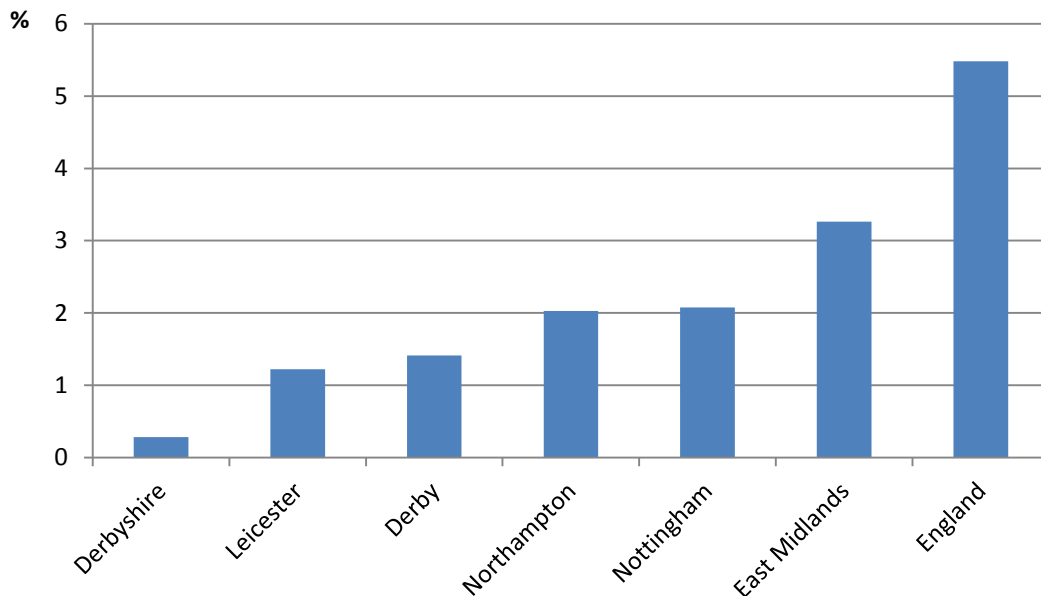
In 2010, Trends Business Research were commissioned by a consortium of organisations, including the Department for Culture, Media and Sport (DCMS) and the Arts Council, to generate data at a sub-national level on the arts, creative, cultural and heritage sectors. This data analysis was published as part of the CASE (Culture and Sport Evidence) programme of research, which also included impact evaluation and thematic research projects.⁶

Chart 4 shows the number of individuals employed in arts, creative and heritage activities as a proportion of total employment. This is based on TBR's analysis of the 2008 Annual Population Survey (APS) – which estimated employment in relevant sectors (describing the organisations people work in) as well as occupations (the kind of jobs they do), including: advertising, architecture, art and antiques retail and wholesale, designer fashion, music and visual performance, publishing, radio and television, software and computer games, video, film & photography, museums, libraries and archives, etc.. In order to enable consistent comparison between areas, the total number of workplace jobs (from the 2008 January-December APS) has been used as the denominator.

The chart shows that there is a lower proportion of total employment in CASE activities in the East Midlands compared to England overall, at 3.3% compared to 5.5% in 2008. In terms of absolute numbers, TBR estimated that CASE sectors and occupations accounted for 119,000 jobs, which has decreased by 4% since 2006 and is the second lowest of the nine English regions. Of the local areas of interest to this study, Nottingham city has the largest proportion of jobs in CASE activities, at 2.1% - equivalent to 4,700 jobs.

⁶ All outputs from the CASE programme are available on: www.culture.gov.uk/case/

Chart 4: Total employment in CASE sectors⁷ by venue area, 2008, as a proportion of total workplace jobs (% , employed adults, 16-64, by workplace, January-December 2008)

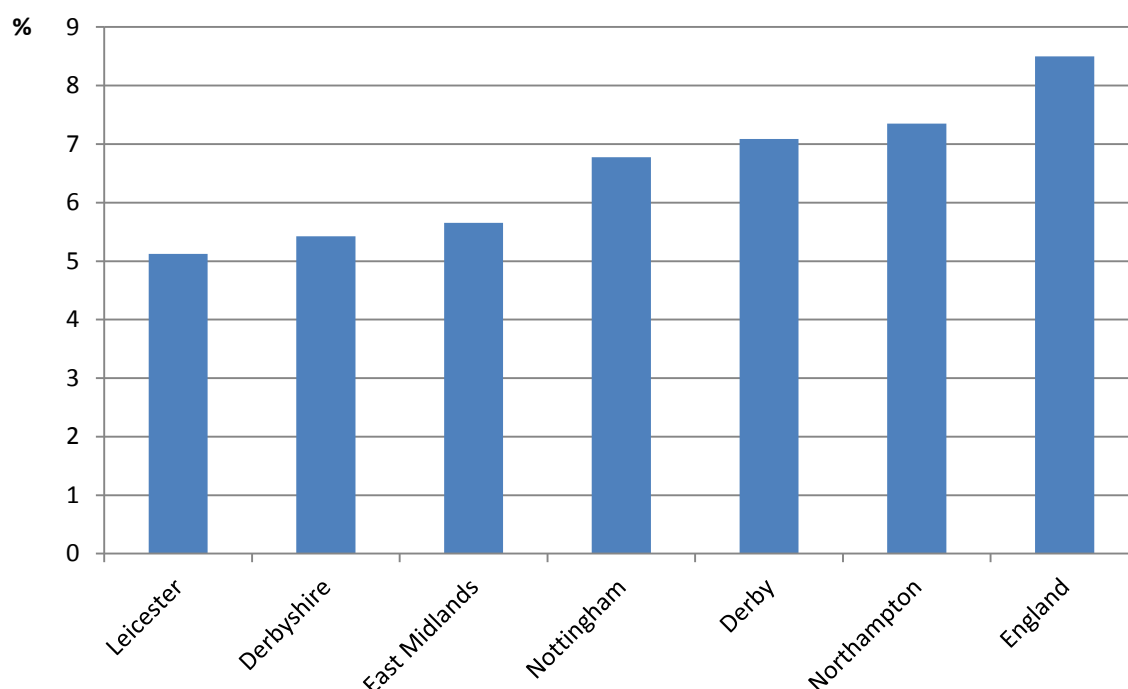


Source: Trends Business Research, on behalf of DCMS, 2010. *'The CASE Local Profile Tool,'* estimate of total employment in CASE sectors and occupations, and ONS Crown Copyright, 2012. *'Annual Population Survey-workplace analysis'*, January-December 2012. From NOMIS [accessed 28th March, 2013].

Chart 5 presents the number of businesses engaged in relevant activities (in this instance arts and creative, excluding heritage) as a proportion of all the active enterprises in 2009. As with employment in chart 4, this chart shows that the East Midlands has a significantly smaller proportion of arts & creative businesses than the English average, at 5.7% compared to 8.5% of total business stock respectively. Northampton (7.3%) and Derby (7.1%) have slightly higher proportions of arts and creative businesses than Nottingham (6.8%). Nottingham has a higher absolute number (at almost 500) than either Derby or Northampton, whilst Derbyshire has approximately 1,400 such businesses (5.4% of the county's total business stock). A comparison of charts 4 and 5 could indicate that arts and creative jobs are more likely to be in large employers in Nottingham than in other areas of the East Midlands.

⁷ Total CASE employment is derived from APS data that combines employment by Standard Industrial Classification (SIC) and Standard Occupation Classification (SOC) to capture the entire culture and heritage workforce, developed during the DCMS Regional Insights project.

Chart 5: Stock of arts & creative enterprises (CASE sectors – excl. Heritage), 2009, as a proportion of total enterprises (% total active enterprises by Local Authority, 2009)



Source: Trends Business Research, on behalf of DCMS, 2010. 'The CASE Local Profile Tool,' estimate of total business stock in CASE sectors (excluding Heritage), derived from the IDBR, 2009, and ONS Crown Copyright, 2010, 'IDBR Enterprise Estimates for Local Authorities in England and Wales, 2000-2009'. London: TSO.

2.3 Policy and Financial Context

Alongside the changing economic context since the publication of the interim evaluation, the policy and funding landscapes for arts and creative activities have also changed significantly, especially following the election of the Coalition Government in May 2010 and the subsequent Spending Review in October that year. The Coalition Government has embarked on a long term fiscal consolidation that has had significant consequences for arts funding. Additionally, a significant rationalisation of non-departmental public bodies involved in arts funding (including the Museum, Libraries and Archives Council and the Regional Screen Agency network) and linked regeneration and economic development activity has taken place.

One of the most notable changes to the institutional context for economic development has been the abolition of the East Midlands Development Agency (EMDA) and the establishment of a number of new Local Enterprise Partnerships with responsibility for promoting local economic development. EMDA had been a joint funder of the East Midlands Arts Capital Programme and were responsible for commissioning the interim evaluation undertaken by BOP/SQW.

The orientation of the new Local Enterprise Partnerships towards the arts and related creative industries varies. The D2N2 LEP (covering Derbyshire and Nottinghamshire) has not specifically prioritised the creative industries in its growth plan (although tourism is prioritised). This may not fully reflect their engagement with the arts as an example of good joint working with ACE was noted

in a recent Government consultation on future European funding⁸. The Leicester and Leicestershire Enterprise Partnership has identified sectoral priorities including 'creative design' and tourism.

Following the 2010 Spending Review, the then-Secretary of State for Culture, Olympics, Media and Sport, Jeremy Hunt MP, announced that his Department's overall budget would be reduced by 25% by the 2014-15 financial year. This is comprised of a 24% reduction in the DCMS resource budget and a 32% reduction in the capital budget. Alongside this headline reduction in Government spending, the Minister also announced the abolition of several public bodies funded by DCMS, including the UK Film Council and the Museums, Libraries and Archives Council and the withdrawal of central government funding for the Centre for Architecture and the Built Environment. (DCMS, October 2010). More positively for the sector, the Secretary of State also announced the intention to "restore the Lottery to its original good causes, which will mean that the arts, sports and heritage sectors will each get £50m a year extra funding from 2012."⁹

In parallel with these changes to arts funding organisations at national and regional levels, Local Authority funding has also been subject to significant pressure. As part of the 2010 Spending Review, CLG announced a 26% reduction in local authority spending to be implemented over 4 years. This has resulted in discretionary local authority spending on the arts coming under increasing pressure. One local illustration of this pressure is the recent scrutiny review of Leicester City Council funding to its major arts venues including the Curve¹⁰. Notwithstanding these obvious budgetary pressures, most of the local authorities responsible for the localities in which the venues are located have retained a strategic focus on the arts and creative industries. In three cases this focus has taken the shape of a 'cultural quarter' initiative.

At the time of the interim evaluation, all of the venues covered by this study were Arts Council Regularly Funded Organisations (RFOs). As a result of the 2010 Spending Review settlement to DCMS and thence the Arts Council, funding to RFOs was reviewed and a new National Portfolio of funded organisations established. This process resulted in a National portfolio of 696 organisations replacing the previous regularly funded organisations portfolio of 849. 111 new organisations were added to the National portfolio. 206 regularly funded organisations lost on-going ACE revenue funding at this point. The Peepul Centre was one of the organisations to lose ACE funding as a result of this process¹¹.

"Our decisions have been made within the twin context of the 10-year strategic framework, *Achieving great art for everyone*, developed through a major consultation with all those working in the arts; and the reduced resources available. We know that the demand for funding will not meet supply. We received 1,333 applications to join the national portfolio, submitting bids for a

⁸ BIS, Delivery of European Structural Investment Funds 1 in 2014-2020 in England. A summary note of feedback from a series of consultative events held across England in November/December 2012.

⁹ DCMS written ministerial statement 21st October 2010.

¹⁰ Review of grants to major city arts venues: A report of the Economic Development, Culture and Tourism Scrutiny Committee, 20 December 2012.

¹¹ Source: ACE website 29.05.13

total of £1.4 billion. The available grant in aid budget for the portfolio for the same period was £956.5 million.”¹²

The consequences of this shift in the basis of national funding to arts organisations for the venues included in this study is summarised in table 1 below.

Table 1: Arts Council revenue funding to venues 2008/9-2012/13

	2008/09	2009/10	2010/11	2011/12	2012/13	Total
Quad	380,330	431,220	440,646	475,000	475,000	2,202,196
Nottingham Contemporary	640,659	966,716	£1,026,168	955,363	1,000,000	4,588,906
New Art Exchange	305,937	520,908	428,089	398,551	500,000	2,153,485
The Curve			2,043,730	1,902,713	1,903,000	5,849,443
Broadway			58,083	54,075	100,000	212,158
Royal and Derngate			751,369	699,525	762,000	2,212,894
Level Centre	£140,955	147,927	148,760	137,720	138,000	713,362
Peepul Centre	85,000	87,295	89,202	0	0	261,497
	1,552,881	2,154,066	4,986,047	4,622,947	4,878,000	18,193,941

Source: Arts Council England (Various)

With the exception of the Peepul Centre (the use of which has changed), all of the venues covered by this study remain within the Arts Council’s National Portfolio Funding Programme. Indeed, it should be noted that the advent of this programme has seen increased levels of funding to New Art Exchange, QUAD and Broadway.

Notwithstanding the generally tightened budgetary environment, public interest in the arts, heritage and recreation is arguably at a high level following the success of the Diamond Jubilee celebrations, the 2012 Olympics and Paralympics and the Cultural Olympiad in 2012.

Linked to the national Cultural Olympiad in the East Midlands was the the Igniting Ambition programme. This delivered a series of annual cultural festivals or showcases in the run-up to the hosting of the 2012 Games. Focus Consultants, evaluators for this programme, described Igniting Ambition as the only regional Cultural Olympiad Programme to have been delivered at a sub-regional level¹³. Particular highlights included.

- 2008 Derby Festé, Derby;
- 2009 Special Olympics, Leicester;
- 2010 Igniting Ambition Festival, Leicester(shire), Nottingham(shire) and Derby(shire);

¹² ACE website.

¹³ Focus Consultants, Igniting Ambition 2008-2012 Programme Overview, December 2012.

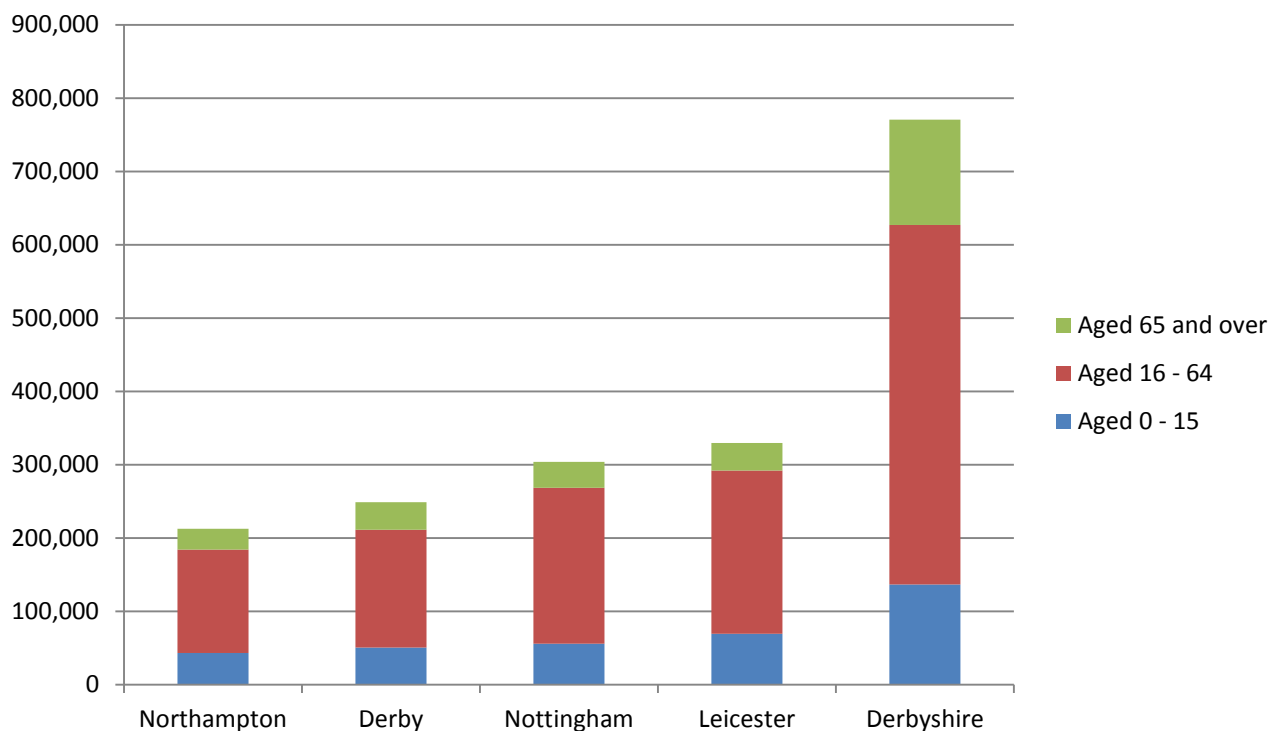
- 2011 Connecting Communities, Northampton(shire), Lincoln(shire) and Rutland; and Breath of Fresh Air, region wide; and
- 2012 East Midlands World Exhibition, region wide

2.3 Venue and local area profiles

This sub-section provides the context for the impact results that are presented in Section 5. It provides a profile of the sub-regions in which the venues are based and briefly describes each of the venues, their key activities and how these have changed over the course of the last 5 years.

In terms of total resident population in the local authorities surrounding each venue, Derbyshire has by far the largest population, with 770,700 residents in 2011. However, this population is relatively dispersed over an area of 254,670 hectares – more sparsely populated than average, at 3 people per hectare compared to 4.1 in England overall. The four relatively urban local areas in this study are significantly more densely populated. Leicester, Nottingham, Derby and Northampton all have population densities in excess of 25 people per hectare (with the lowest density in Northampton, at 26 people per hectare, and the highest in Leicester, at 45). As chart 6 shows, Nottingham and Leicester have relatively similar numbers of residents, at over 300,000 in both cases, whilst Derby is significantly smaller (250,000) and Northampton smaller still (210,000)

Chart 6: Total population by venue area and broad age band, 2011



Source: ONS Crown Copyright, 2012. 'Mid-Year Population Estimates, 2001-2011.' From NOMIS [accessed 28th March, 2013].

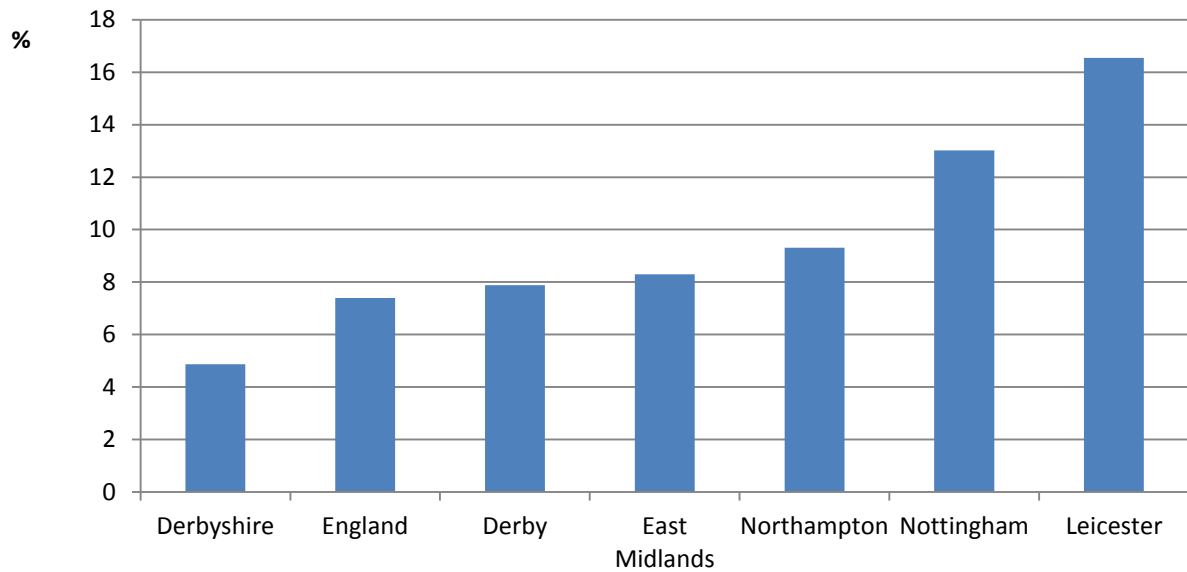
Chart 6 also shows the composition of the areas' resident population by broad age group. As well as being significantly less densely populated than the more urban areas, Derbyshire also has an older

population profile – with 18.7% of residents aged 65 and over (compared to 17.2% in the East Midlands and 16.4% in England overall). Conversely, Leicester has a particularly young age profile, with 67.6% of residents in the working age group (compared to 64.3% in the East Midlands and 64.7% in England) and 21.1% aged 15 and under (compared to 18.5% in the East Midlands and 18.9% in England). This is closely associated with the ethnic composition of Leicester, where almost half of the city's residents described themselves as 'non-white' in the 2011 Census, compared to 15% in England overall. Generally speaking, ethnic minority population groups have a significantly younger age profile than average. Nottingham has the largest share of residents in the working age group (16-64), at 70% - over 5 percentage points higher than either the national or regional averages. Residents who describe themselves as British Asian account for the largest ethnic minority group in both Leicester and Nottingham, whilst the Black African/Black Caribbean population group is also significantly represented in Nottingham. Data from the 2011 Census of Population indicates that among the four major urban centres in which the venues are located (or closest to in the case of the Level Centre), the proportion of the population that has a long term health problem or disability that limits day to day activities varies from a low of 15.8% in Northampton to a high of 18.7% in Derby (compared to a regional average of 18.6%).

Chart 7 shows total population growth over the decade 2001-2011 in the local areas relevant to this study. Associated with their younger age profile (and thus higher fertility rates), Leicester and Nottingham have both experienced significantly higher than average population growth over the decade, growing at rates of 16.5% and 13% respectively. Northampton also experienced above average population growth, albeit at a slower rate than Leicester or Nottingham, at 9.3%. Derby experienced a similar rate of growth to the East Midlands average, at 7.9% (compared to 8.3% regionally), whilst Derbyshire grew at a significantly slower rate – at 4.9% compared to a national average of 7.4%. This can be associated with Derbyshire's older population profile, and thus lower level of net natural change (the balance of births and deaths). All areas in the study except Leicester have experienced net inward migration, the largest share of which has been from domestic migrants (from other regions or local areas in the UK). Population growth in Leicester has been principally driven by natural change, with negative net migration (a higher number of residents leaving, to both domestic and international destinations, than moving into the city) projected over the decade to 2021.¹⁴

¹⁴ ONS Crown Copyright, 2012. 'Provisional 2011-based Sub-national Population Projections.' London: TSO.

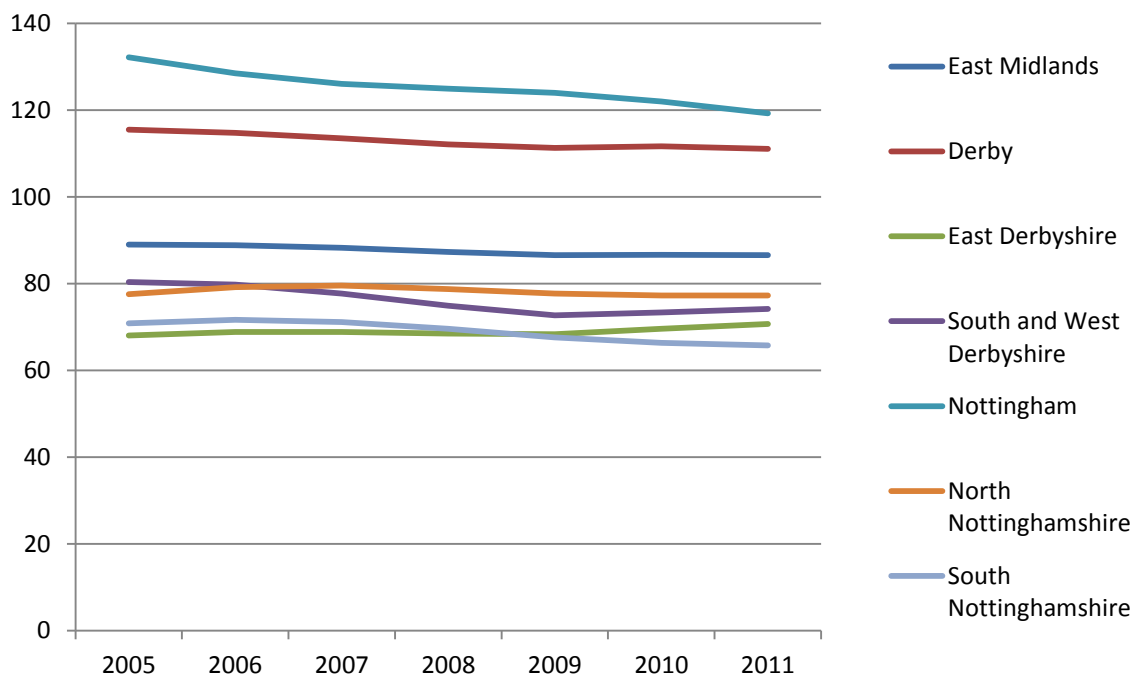
Chart 7: Population growth by venue area, 2001-2011 (%)



Source: ONS Crown Copyright, 2012. 'Mid-Year Population Estimates, 2001-2011.' From NOMIS [accessed 28th March, 2013].

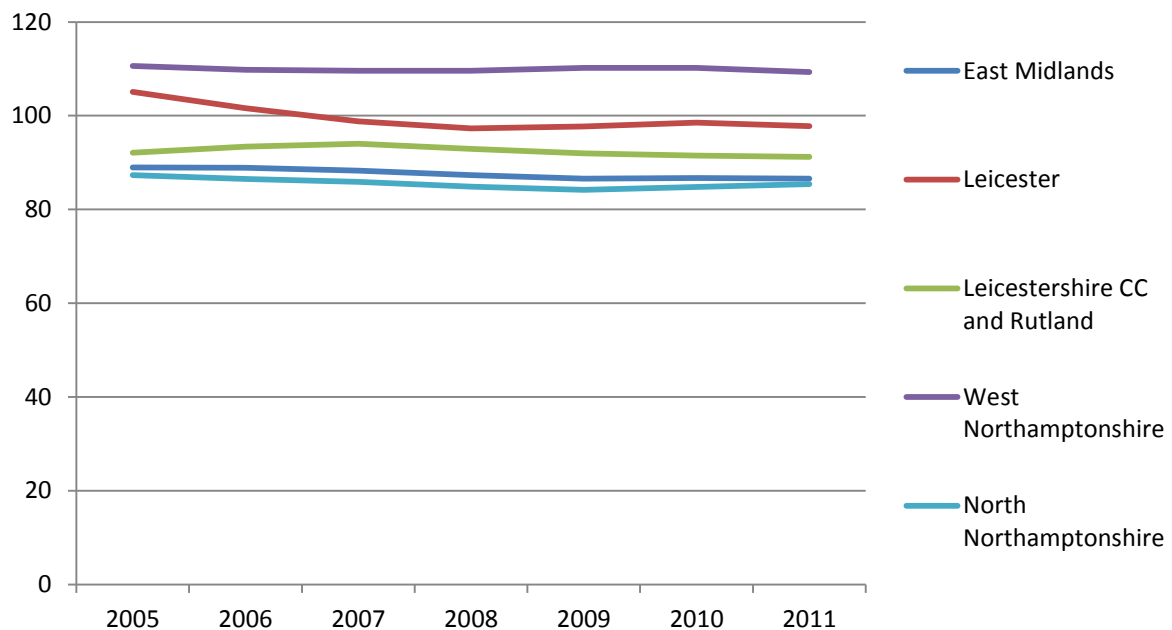
Looking at trends in economic output at a sub-national level, Charts 8 and 9 show how gross value added per head in the venues' sub-regions has changed relative to the UK between 2005 and 2011.

Chart 8: Gross value added per head in Derbyshire and Nottinghamshire 2005-2011 (UK=100)



Source: ONS Crown Copyright, 2012. *Regional, Sub-regional and Local Gross Value Added 2011*. Office for National Statistics, December 2012.

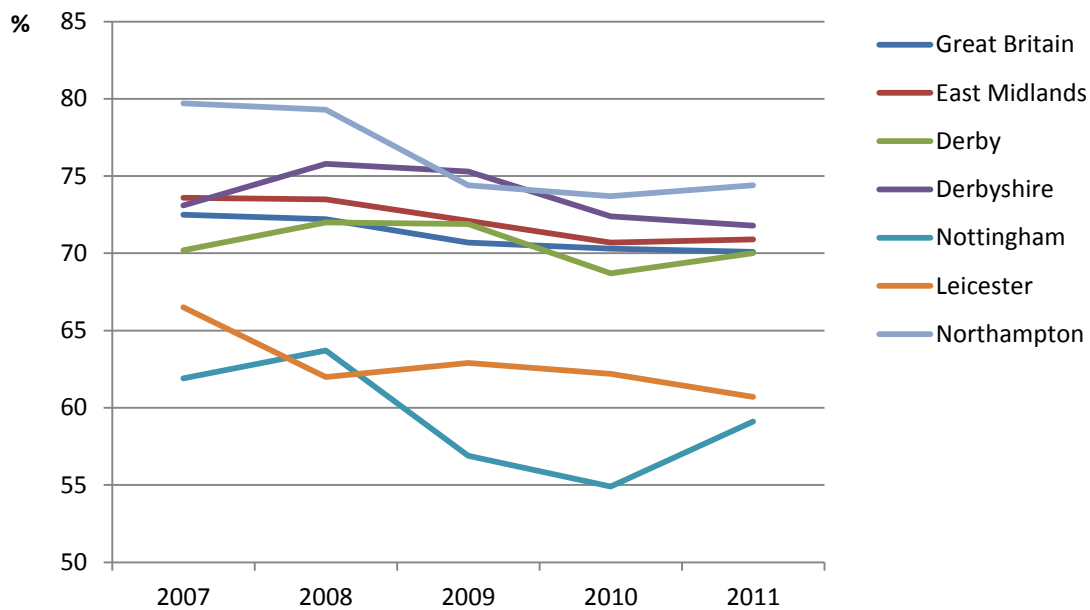
Chart 9: Gross value added per head in Leicestershire and Northamptonshire 2005-2011 (UK=100)



Source: ONS Crown Copyright, 2012. *Regional, Sub-regional and Local Gross Value Added 2011*. Office for National Statistics, December 2012.

Chart 10 shows how employment rates have changed in the relevant Local Authorities. In this case, data for January-December (the calendar year) has been used rather than the latest available period, as this Labour Force Survey/Annual Population Survey period is more robust at a local level (it contains a greater number of observations than other rolling quarterly releases, such as those used in Charts 2 and 3). Consistent with the output data described above, this clearly shows that Nottingham has experienced a significant fall in employment (from 61.9% in 2007 to 59.1% in 2011). Employment in Nottingham has remained well below the regional and national averages throughout the period. Employment rates in Derby have fallen to a far lesser extent, remaining close to the national average. Although Northampton has experienced a very significant fall in employment rates (from 79.7% in 2007 to 74.4% in 2011), employment in the area has remained higher than the national or regional averages.

Chart 10: Employment rates (% residents, 16-64) by venue area, December-January, 2007-2011



Source: ONS Crown Copyright, 2012. *Annual Population Survey*, January-December 2007 to January-December 2011. From NOMIS [accessed 4th January, 2013].

2.3.1 Derby and Derbyshire

The QUAD arts cinema and media centre is situated in the centre of Derby City, whilst the Level Centre is in the relatively rural location of Rowley, near Matlock in the Derbyshire Dales (Derbyshire County). The QUAD and the Level Centre are very different venues, aimed at very different audiences/participants and with different aims and objectives. The QUAD is a multi-purpose venue that provides a unique offer in the city of Derby. Activities on offer at the Quad include:

- Café Bar;
- Cinema, which has an art-house focus (with commercial offerings) and sells around 80,000 tickets per year;
- Mediatech facility supported by the BFI that makes BFI archive material from the 1890s to the present freely available;
- Digital Suite; and
- Gallery and artist space.

Much of the venue's work is done outside the building- they work with a number of partners on major festivals that take place throughout the city each year such as the FORMAT festival. The venue believes that it is the only organisation in the city that generates international media coverage, with *The Chicago Sun-Times* and *Wall Street Journal* examples of this coverage¹⁵.

¹⁵ Venue information from ESRB initial interview with Keith Jeffrey, 17th October 2012.

The Level Centre is a venue that offers artistic space aimed at learning disabled adults and is the National Centre for Digital Arts Installation for Learning Disabled People. It has three purpose built studios:

- Arts Event Space that hosts a range of events that include displays, performance workshops and training projects;
- Level Studio, which hosts media and live video link activities; and
- Technology Studio with sound and video editing systems.

In addition, the Level Centre Mobile Studio makes such facilities available more widely and has operated in Derby and Leicestershire for a number of years.

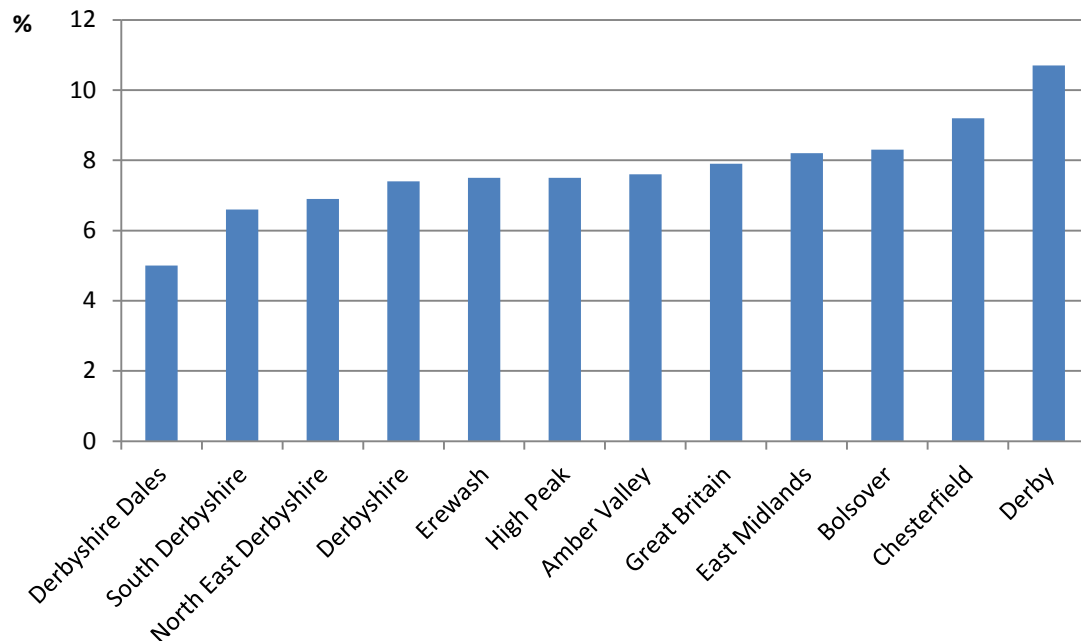
Both Derby City and Derbyshire County appear to have been more resilient to the impacts of recession compared to elsewhere in the East Midlands. In Derby, labour market participation is considerably higher than in either Nottingham or Leicester, as shown in chart 10, with an employment rate of 70.2%, compared to 66.5% in Leicester and 61.9% in Nottingham (January-December 2011). Conversely, the unemployment rate in Derby is significantly lower than either Leicester or Nottingham (at 6.1% in the same period, compared to 9.7% and 7.9% respectively). Chart 10 also shows that, between 2007 and 2011, employment in Derby did not decrease to the same extent as elsewhere (especially Leicester and Nottingham).

Derby also has a well-established digital media sector. The CASE local profile project (TBR, 2010) estimated that 225 businesses in Derby were engaged in software and computer game development in 2009, over half of all businesses in Derby covered by the CASE sectors. The business birth rate in this sub-sector was also particularly high, with new businesses born between 2006 and 2009 accounting for 50% of the total business stock in 2009, higher than the average for all CASE sectors. Such activities were estimated to account for over 1,000 employee jobs in 2008, over half of all CASE sector employment in Derby - a significantly higher share than in either the East Midlands or Great Britain. The concentration of software and computer game development in Derby, and the high rate of business start-up in this sub-sector, has clear parallels with some of the facilities provided by the QUAD – such as the digital suite.

Associated with the tourism and leisure sectors and important heritage destinations, there are concentrations of arts and creative employment especially in the retail of arts and antiques (CASE sub-sector) in both the Derbyshire Dales and High Peak districts. The cultural and heritage assets across the area also contribute to higher than average levels of attendance and participation, with 56% of High Peak residents attending a museum or gallery and 58% attending a creative, artistic, theatrical or musical event in the 12 months before responding to the Active People surveys in 2008/09 and 2009/10 (CASE local profiles).

Of particular interest to the strategic focus of the Level Centre, attendance and participation in cultural events or activities is also higher than average for residents who classify themselves as having a 'limiting disability'. In the same period, 47% and 48% of residents with a limiting disability in the Derbyshire Dales and High Peak respectively attended a creative, artistic, theatrical or musical event, compared to 39% with a limiting disability in England overall (CASE local profiles).

Chart 11: Model-based Estimates of Employment, for Local Authorities in Derbyshire (%), October-September 2012



Source: ONS Crown Copyright, 2013. *Model-based estimates of Unemployment*. From NOMIS [accessed 15th April, 2013].

The CASE local profiles suggest relatively low levels of participation in the arts in the north east of Derbyshire. With the exceptions of use of a public library in Chesterfield and participation in creative, artistic, theatrical or musical activities in Amber Valley, rates of participation or attendance are below the national average in all 4 districts in all categories of cultural activity used in the Active People Surveys in 2008/09 and 2009/10. Residents who classify themselves as having a 'limiting disability' are also less likely than average to participate in cultural activities in these 4 districts in almost all cases (CASE local profiles).

Attendance and participation in cultural activities is relatively low in both districts to the south of the city – below average for most activity types, including for individuals with limiting disabilities– with the exception of participation in creative, artistic, theatrical and musical activities for residents of Erewash (30% participation in the year before the Active People Survey, 1 percentage point higher than the national average) (CASE local profiles). It is noteworthy that ACE has responded to this pattern of low participation through its Creative People and Places Programme¹⁶ - the first phase of which placed significant emphasis on addressing low participation rates in parts of the North and Midlands.

2.3.2 Leicester

The Curve theatre is located in the centre of Leicester – albeit separated from the main retail centre of the city by the major thoroughfare that is Charles Street – and located in a fairly rundown commercial area of the city centre. With the nearby LCB Depot (a creative industries business

¹⁶ <http://www.artscouncil.org.uk/funding/apply-for-funding/creative-people-and-places-fund/>.

incubator) and the New Phoenix digital media centre, the Curve was intended to anchor the development of an all new 'creative quarter' in Leicester.

Designed by Rafael Vinoly, theatre itself is both architecturally and conceptually ground-breaking:

"The new theatre was conceived as an innovative, accessible venue, this aim being reflected in the design's attempts to break down the usual separation between front-of-house and backstage functions."¹⁷

The theatre was developed in order to replace the older Haymarket Theatre. It is a producing theatre that provides a uniquely flexible theatre space that encompasses:

- An 800 seat main auditorium;
- A 450 seat secondary auditorium;
- A studio space – used principally for an extensive outreach programme; and
- A café bar.

The Curve's education and outreach programme is extensive and is central to the theatre's wider cultural and social impact. This is in keeping with the emphasis on inclusivity and accessibility that was central to the philosophy underpinning the development of the theatre. It is also a notable response to the theatre's location in one of the most ethnically diverse cities in the UK.

The Peepul Centre is an altogether different kind of venue. A multi-purpose arts and community centre located close to the Belgrave Road in Leicester, the venue includes:

- A 250 seat theatre style auditorium with tiered seating can be elevated to create an open plan conference space;
- Full time nursery with 95 registered places for under 5s;
- 3 Gyms (male, female and mixed) – reflecting the cultural and religious needs of the local community;
- Spa;
- Holistic therapy/treatment rooms – rented by a physiotherapist and other self-employed therapists;
- Tamarind restaurant ;
- Café Bar;
- Various meeting rooms for hire and community use;
- Dance studio (mirrored walls, bars and sprung floor) – well used by local dance clubs; and
- ICT training suit.

The story of the Peepul Centre's conception and development by the Belgrave Baheno Womens Association is a story of community activism. However, financial problems led to a transfer of ownership to the LHRA (housing association) and a shift in focus to community centre rather than arts venue. In autumn 2012, ownership transferred again to the Ethnic Minority Foundation – a London based charity.

¹⁷ Short et al, 2011, *Geometry and Atmosphere: Theatre building from vision to reality*".

The most recent transfer of ownership was described as having led to a shift towards a more commercial and business focussed approach. The current business focus is on increasing footfall and delivery activities with local community impact. The transfer to EMF was seen as taking the Peepul Centre closer to its original focus on providing the best possible facilities to its local community.

Leicester is a relatively densely populated city (with 45 people per hectare, according to the 2011 Census, compared to 41 in Nottingham) and has a very diverse population. Also according to the latest Census, almost 50% of the population of Leicester described themselves as 'non-white', which is a higher share than in any other local authority area in the East Midlands and one of the highest in the UK. Residents who described themselves as 'Asian or Asian-British, Indian' make up the largest share of Leicester's non-white population, accounting for 28% of all residents in 2011. This compares to only 3% of residents in Nottingham (where residents who describe themselves as 'Black-British, African' or 'Black-British, Caribbean' make up the largest share of the ethnic minority population). However, despite the relative concentration of ethnic minority communities in Leicester, participation in art and creative activities amongst ethnic minority residents appears to be lower than average – with 23% engaging in the arts compared to 30% amongst adults from ethnic minority backgrounds in England overall (it must be noted, though, that these estimates are derived from the 2008/10 Active People Survey – which had a relatively small sample size at local authority level). Engagement in the arts for all adult residents in Leicester is also significantly lower than nationally, at 32% compared to 44%.

This could be associated with the relatively small stock of Arts & Creative businesses in Leicester. According to the CASE local profiles (and as shown in Charts 4 and 5), Leicester had the smallest stock of businesses engaged in arts and creative activities of the local areas profiled in this study, at 5.1% of the total business stock in 2009 (equivalent to 435 enterprises). The proportion of employment in CASE-related activities is also relatively low in Leicester, at 1.2%, compared to 3.3% in the East Midlands and 5.5% in England overall in 2008. In absolute terms, this is equivalent to 2,275 individuals, less than half the number in Nottingham (4,725).

As is the case in Nottingham, the wider labour market of Leicester has been impacted relatively significantly by the recession. The total employment rate has fallen from 66.5% in January-December 2007 to 60.7% in January-December 2012, remaining well below the East Midlands average throughout this period, as shown in Chart 10. This is the biggest fall in employment rates of any of the local areas profiled in this study – with a decrease of 5.8 percentage points compared to 2.7 in the East Midlands and 2.8 in Nottingham, although the rate of employment in Leicester has remained higher than Nottingham through much of the period.

2.3.3 Nottingham

Nottingham has three very different venues that fall within the scope of this study. All three have in common that they are significant visitor destinations within the city.

Broadway

Broadway is a multi-purpose centre located in the Hockley area of the city. It offers a variety of cinema (arthouse and commercial), café bars, is a centre of excellence in digital media and offers a number of educational activities (including a MA in association with Nottingham Trent University).

There are plans to develop the lower ground floor and create a space for a centre for innovation that will support the development of creative industries. They have a 2 ½ year programme that will position the venue, which is already recognised as expert in digital content, as a leading cultural venue and agency contributing to economic development. The Nottingham City Growth Plan names the venue as a delivery partner on a number of key growth plan activities such as the Creative Quarter and Ultraband projects.

Nottingham Contemporary

Nottingham Contemporary opened in November 2009. As such it has yet to experience life in a 'normal' economic environment. The venue provides a unique offer in the city, with an important educational programme that runs alongside the artistic programme. The venue stages around 4-5 major exhibitions each year. The venue includes:

- Purpose built galleries;
- Auditorium for performance and film;
- Education space and study centre; and
- Café bar and shop.

New Art Exchange

New Art Exchange formed from the amalgamation of two BME led arts organisations and it is one of only a small number of BME focussed visual arts centres outside of London. It is the UK's only centre dedicated to African, African Caribbean and South Asian arts. Unlike the other Nottingham venues that are part of this study, the New Art Exchange is located away from the city centre in one of the more deprived areas of the city. The venue contains three galleries (Main, Mezzanine and Central) along with a café bar. The venue also runs an education and learning programme.

Nottingham has the highest levels of GVA per head in the East Midlands, although this figure is distorted by commuting patterns- GVA per head in South Nottinghamshire and North Nottinghamshire are very low in comparison because GVA is measured on a workplace basis. The output generated by people who live in the county is counted in the city. It should nevertheless be noted that GVA per head in the city has fallen significantly during the last eight years, from around 33% above the national average to just less than 20% above the national average. The impact of the recession on the city is also evident in the labour market where there have been particularly large falls in employment and increases in unemployment (in 2010 the employment rate dropped to just 55%, down from 63% prior to the recession in 2008).

Data from the CASE local profiles suggests that there are just under 500 culture and heritage related businesses in the city, with a further 1,300 in the county. This data also suggests that the birth rate amongst culture and heritage related businesses was similar to the national average in the county but slight lower in the city between 2006 and 2009. Culture and heritage related businesses employ just under 5,000 people in Nottingham and a further 1,000 in the county, indicating that businesses are generally larger in the city.

In terms of investment in the arts and culture, CASE data indicates that total Arts Council grants in the city and county totalled £1.6m in 2008/09, down from around £2.2m in 2004/05. Investment in

these activities from the city and county councils increased slightly from £31.6m to £32.2m during the same period. Local authority investment in physical assets increased significantly from £2.7m to £7.7m.

Northampton

The Royal and Derngate Theatre combines its function as a major regional repertory theatre (hosting both in house productions and touring shows) – with an increasingly significant function as the principal centre for arts and creative industries in Northampton and the surrounding areas. The venue includes:

- The 450 seat Victorian Royal Auditorium used for a range of locally produced and touring theatrical productions;
- The 1500 seat Derngate – a more flexible space used for a wide range of concerts and arts events;
- The Underground – a space used for a variety of community based outreach activities;
- Café bar; and
- Office space for a variety of cultural/creative organisations including the Northampton Community Foundation and the Northamptonshire County Council's Arts Team.

The Northamptonshire Theatres Trust manages both the Royal and Derngate theatres and the nearby Corby Cube Theatre (a newly opened venue). The group is 2.5 years old having been established since the interim evaluation was completed. The Corby Cube opened 2 years ago. The company was established to reduce costs of running Royal and Derngate. A management company runs venues for the trust.

Like the Broadway in Nottingham, the Royal and Derngate theatre was an established venue prior to the investment associated with the Arts Capital Programme. As such it is a venue that has a pre-recession baseline against which to compare performance in the depressed economic environment since 2008.

Northampton is a significantly smaller urban area than either Nottingham or Leicester, with a population of 212,000 in 2011 (compared to 306,000 in Nottingham and 330,000 in Leicester) – but is larger than Derby (249,000), although it is less densely populated. The Northampton Local Authority District (the Borough Council area) and the wider Northamptonshire County have consistently experienced higher rates of employment and lower rates of unemployment than the national and regional averages, although Northampton itself appears to have been relatively significantly impacted by recession, with employment falling from 79.7% in January-December 2007 to 74.4% in January-December 2011 (a decrease of 5.3 percentage points, compared to 2.7 in the East Midlands overall).

Because of survey sample size, the CASE local area profiles provide limited robust information on engagement in the arts for Northampton itself. In the wider Northamptonshire area, overall engagement in the arts appears to be slightly lower than the national average, at 43% compared to 44% (but this small difference is unlikely to be statistically significant). Of this wider measure, attendance at a 'museum or gallery' is significantly lower than average (46% compared to 52% nationally), whilst both rates of attendance at 'creative, artistic, theatrical or musical events' and

rates of participation in 'creative, artistic, theatrical or musical activities' do not differ significantly from the national average (data based on the 2009/10 Active People Survey).

Data is available for Northampton on the stock of enterprises engaged in Arts & Creative activities, which suggests a relatively high share of the total business stock compared to other areas profiled in this study, at 7.3% compared to 5.7% in the East Midlands overall. This is equivalent to 460 enterprises, a larger number than Derby or Leicester. However, as a percentage of employment, CASE activities are relatively less important in Northampton – accounting for 2% of workplace jobs (compared to 5.5% in England). This could be a function of the likely smaller size of CASE enterprises in Northampton compared to elsewhere, and also the high level of commuting from Northampton to London and the South East. Given the concentration of arts and creative employment in London (with Arts & Creative enterprises accounting for 12.2% of the business stock in London in 2009), it is likely that a higher proportion of professionals engaged in these activities in Northampton commute to London compared to areas further to the north of the East Midlands.

3. Evaluation Method

The study will utilise the evaluation framework developed by ECOTEC and subsequently implemented by SQW/BOP in their initial evaluation of the venues. Economic value is generated from two roles played by the venues:

- Each venue is a business that generates economic activity through expenditure on the people it employs (salaries) and purchases from suppliers; and
- As a visitor attraction each venue generates expenditure in their local area by attracting visitors from outside this area.

When thinking about the economic impact of public expenditure we need to recognise that some activity will have taken place even in the absence of public support. We have to assess the counterfactual and ask what would have happened in the absence of public support and then consider how much of that economic activity is additional by accounting for:

- Deadweight- this is the level of impact that would have occurred without public support;
- Displacement- this is the extent to which the venues have had an impact on competing activities in the area;
- Leakage- this is the extent to which benefits have accrued within the study area (East Midlands) rather than outside; and
- Multiplier effects- this captures additional economic impact generated through additional activities in the venues' supply chains and as a result of increased incomes in the study area..

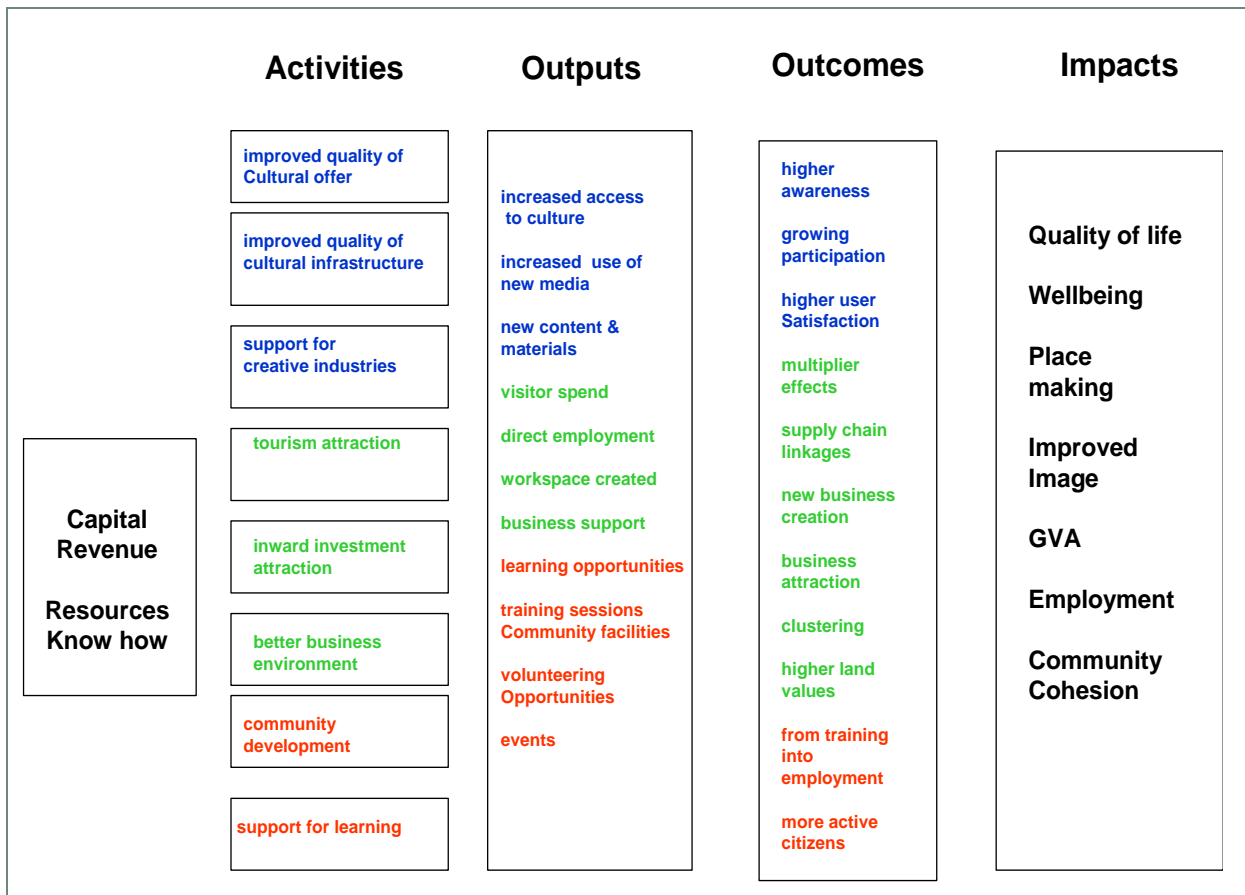
In addition to this economic value there are a range of non-economic benefits that are generated by the venues. These are captured through more qualitative methods and include:

- Quality of life and wellbeing (measurement of these benefits are explored in a companion paper to this evaluation)¹⁸;
- The image of the town/city in which the venue is located;
- Educational benefits;
- Spillovers into commercial creative and cultural activities; and
- The role of the venues in regeneration and the creation of community cohesion.

This is summarised in Figure 1, which sets out a logic chain showing how the venues generate a range of impacts.

¹⁸Bickerton, C., 2013, Cultural Activity, Sport and Wellbeing

Figure 1: Cultural Capital Evaluation Logic Model



Source: Ecotec, SQW, 2010.

4. Impact findings

This section sets out our assessment of the impact of the venues during the period 2008/09 to 2011/12. It begins by setting out headline data on the venues' expenditure, direct employment and visitor numbers. This data forms the input into the impact calculations reported in the subsequent sub-section. Final sub-sections report on non-quantifiable impacts, educational activities in particular and summarise information from visitor surveys on satisfaction with their experiences when visiting the venues.

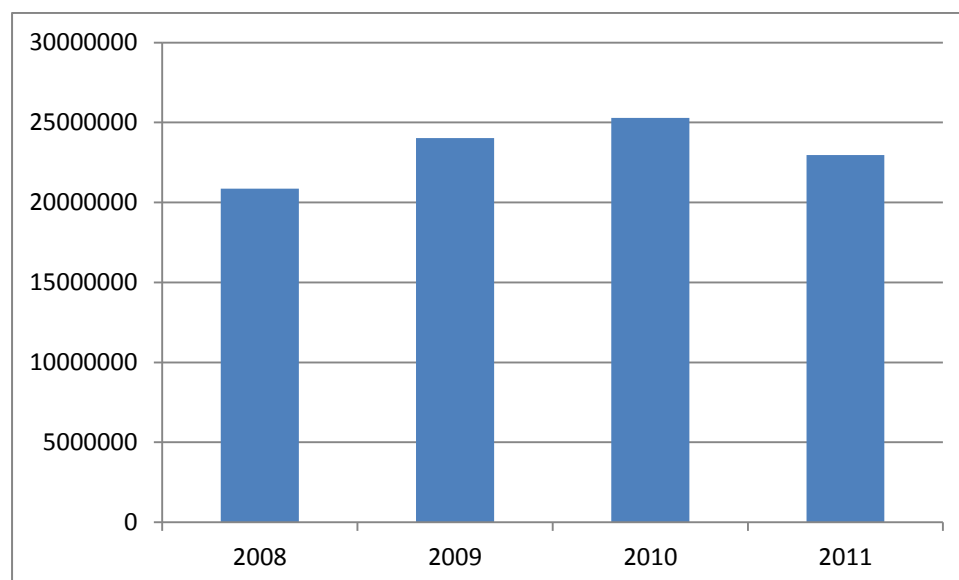
5.1 Key Data

This sub-section describes the basic data that is used in the impact calculations. This data is largely taken from annual accounts/reports produced by each organisation in our sample and is publicly available. This section describes data on expenditure by the venues, numbers employed and visitor numbers before setting out the impact results.

Venue Expenditure

Expenditure by the venues will form the basis for the impact calculations presented later in this report¹⁹. Chart 12 shows how total expenditure by the venues has changed between 2008 and 2011. Between 2008 and 2011 total expenditure by the venues has increased by 10%. It should be noted that this masks an increase of 21% between 2008 and 2010, followed by a fall of 9% between 2010 and 2011.

Chart 12: Total expenditure 2008-2011 (£)



Source: Venue Annual Accounts

Total expenditure can be split into employment costs (including salaries, pensions, etc.) and operations costs (all other expenditure related to the running of the venues). Between 2008 and

¹⁹ The reasons for this are set out in the short introduction to our methodology contained in Section 3.

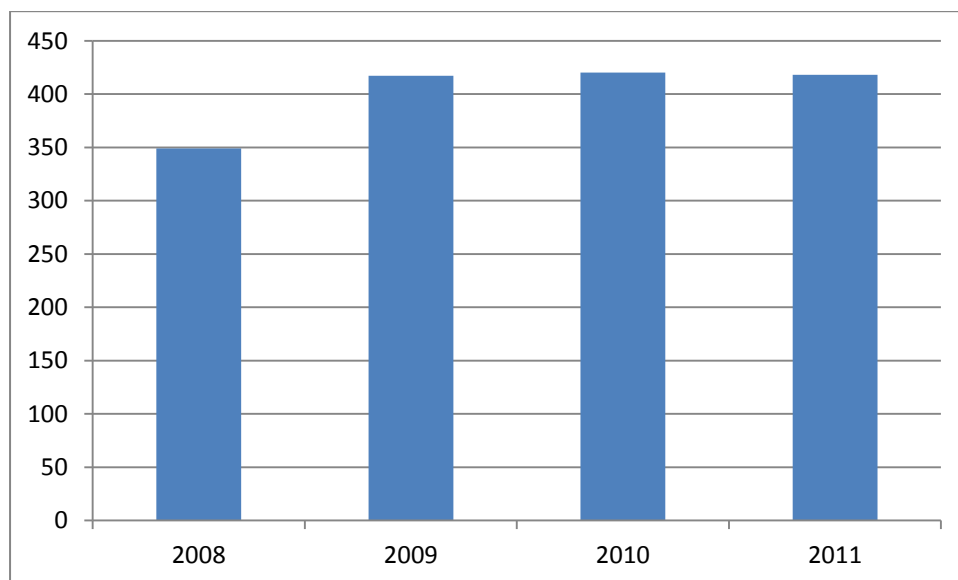
2011 operations expenditure has increased more quickly than employment related expenditures. On average in 2011 69% of the venues expenditure was on operations, with the remaining 31% on employment related expenditures. In 2008 these figures were 67% and 33% respectively.

Employment Numbers

The number of people employed²⁰ by the venues, while relatively small in relation to the size of local economies, is not insignificant. In addition the venues benefit from the activities of substantial numbers of volunteers. While not discounting the impact of this volunteering activity, we are excluding this activity from our calculations on the basis of the difficulties associated with valuing these activities²¹.

In 2011, the latest year for which a complete set of accounts for the venues is available, total employment was 418, an increase of 20% from 2008. However, this increase occurred between 2008 and 2009 followed by a period of stable employment numbers. Trends in employment are illustrated in Chart 13.

Chart 13: Total employment 2008-2011



Source: Venue Annual Accounts

Visitor Numbers

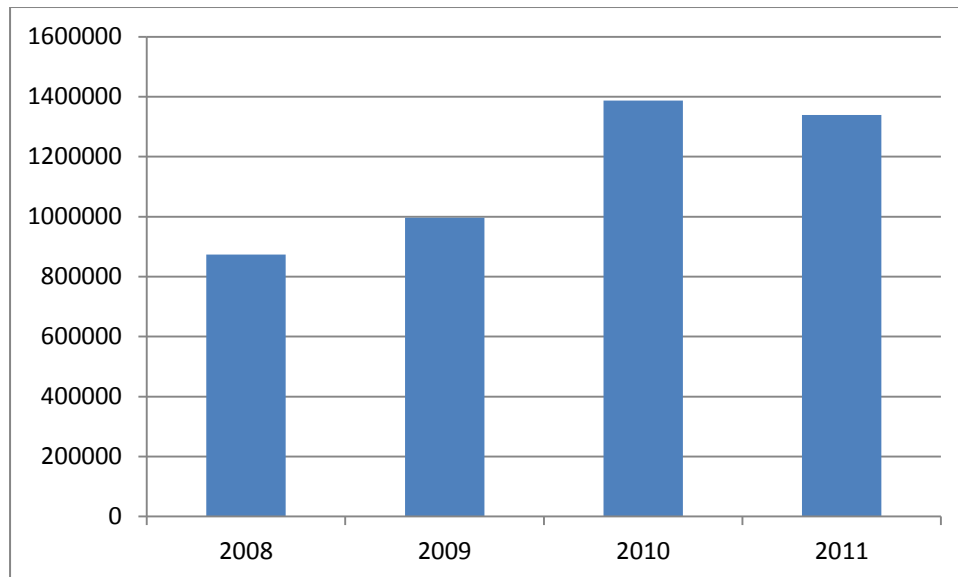
Visitor numbers demonstrate the same trends as total expenditure and employment numbers reported in preceding sub-sections. In 2011 there were a total of 1,339,100 to the eight venues, an increase of 53% from 2008. Again there was a slight fall (-3.5%) between 2010 and 2011, as shown in Chart 14. Many of the venues had benefitted from having free admission at a time when incomes have been squeezed, offering an opportunity for engagement with the arts that is to some extent cushioned from the full impact of the deteriorating economy during this period. This data is not

²⁰ These are full-time equivalent numbers.

²¹ The reasons for this are set out in more detail in Section 3.

quite consistent with that for the broader visitor attraction sector as set out above, which indicated that visitor numbers fell in 2010 before recovering in 2011.

Chart 14: Visitor numbers 2008-2011



Source: Venue Annual Accounts

By sub-region the data shows that:

- The three Nottingham venues attracted a total of 442,500 visitors in 2011, an increase of 48% from 2008. It should be noted that a large proportion of this increase is associated with the opening of Nottingham Contemporary;
- The two Derby/Derbyshire venues attracted total audiences of over 321,300 in 2011 (though it should be noted that the Level Centre is not principally an attraction). This is up from 183,100 in 2008, an increase of 75%;
- In Northamptonshire the Royal & Derngate theatres attracted an audience of 234,600 in 2011. This is the only venue to have experienced a decline in visitors since 2008. It should be noted, however, that unlike some of the other venues, admission is paid for and has been affected by the deterioration in economic conditions that has occurred over this time period; and
- In Leicester and Leicestershire the two venues in the study attracted a total of 340,600 visitors in 2011. This is a significant increase since 2008 and reflects the fact that the Curve opened during this period.

For the purposes of assessing impact it is necessary to know where visitors to each of the venues have come from. Table 2 below shows, on the basis of visitor surveys undertaken by the venues themselves, the proportion of visitors who can be described a local and non-local. In order to avoid double counting of activity it is the proportion of non-local visitors that is important as these represent additional spending in the local economy²².

²² This is explained in more detail in Section X.X.

The catchment of the venues differs quite considerably. On the basis of visitor surveys undertaken by the venues for example, it can be shown that around 30% of visitors to Nottingham Contemporary are from within the city of Nottingham. In contrast around 45% of visitors to The Curve are from within the city of Leicester.

4.2 Economic Impacts

In this sub-section we present the findings of our assessment of the economic impact of the venues. In order to operationalize the model outlined in section 3 it is necessary to make assumptions about the scale of deadweight, displacement, leakage and multiplier effects. Ideally it would be preferable to undertake fieldwork to discover the magnitude of these variables. Unfortunately such fieldwork is outside the scope of this project so we make use of previous studies to provide the necessary values. For this study we have used the assumptions previously made by SQW/BOP in the interim evaluation concerning deadweight, displacement and leakage, which in turn are derived from those published by the Department for Business Innovation and Skills²³. For the multiplier effect we make a high multiplier and low multiplier assumption. The high multiplier is taken from the interim evaluation by SQW/BOP while the low multiplier assumption is taken from work undertaken by the Centre for Economics and Business Research for the Arts Council England and the National Museum Directors' Council²⁴. The assumptions that we use in the calculations are:

- Deadweight (dw)= 0.43;
- Displacement (dp)= 0.285;
- Leakage (l)= 0.05; and
- Multiplier (m)= 1.18 (low) and 1.39 (high).

In order to establish the net additional impact of the venues on economic activity in the region we apply the following formula to the venues' expenditure as set out in their accounts: $1-(1-dw)*(1-dp)*(1-l)*m$. On this basis Table 2 shows the impact that the venues have had between 2008/09 and 2011/12.

Table 2: Present value of impact on gross value added by the venues 2008/09-2011/12(£)

	2008/09	2009/10	2010/2011	2011/12*	Total
Total impact- low m	19,000,000	21,286,000	21,839,000	19,384,000	81,509,000
Total impact- low m (exc Peepul Centre)	16,616,000	19,647,000	20,209,000	19,383,000	75,856,000
Total impact- high m	20,831,000	23,337,000	23,943,000	21,251,000	89,360,000
Total impact- high m (exc Peepul Centre)	18,217,000	21,539,000	22,156,000	21,251,000	83,163,000

Source: ESRB calculations. Note *indicates data for the Peepul Centre was not yet available at the time of writing.

On the basis of our low multiplier assumption the venues have generated between £79.9m and £81.5m of net additional economic activity between 2008/09 and 2011/12, depending on whether

²³ Department for Business Innovation and Skills (2009) *BIS Occasional Paper No 1: Research to Improve the Assessment of Additionality*

²⁴ Centre for Economics and Business Research (2013) *The Contribution of Arts and Culture to the National Economy*

we include the Peepul Centre in our sample. The equivalent figures for our high multiplier assumption are £83.2m to £89.4m. We can conclude that the venues have had a significant impact on levels of economic activity during this period.

The expenditure figures used to calculate the above impacts include expenditure on staff employed at the venues. The venues employed 418 full time equivalent staff in 2011 (382 excluding the Peepul Centre). Accounting for indirect and induced jobs²⁵, then total employment supported by the venues ranges from around 560 to 590 (excluding the Peepul Centre) to 610 to 640 (including the Peepul Centre).

In addition to the impact of the venues' own expenditure we also need to capture the impact of spending by visitors to the venues. The calculation is similar to that utilised above but we now have to make adjustments based on the profile of visitors to the venues- the expenditure of somebody who live close by and visits for a couple of hours is of a different magnitude to somebody who lives outside of the region and comes to stay overnight as part of their visit to the venue. Following the interim evaluation we break down visitors to the venues into three categories: day visitors who live in the region, day visitors who live outside the region and staying visitors from outside the region. The assumptions used in the calculation of visitor impacts are shown in Table 3.

Table 3: Assumptions used to calculate visitor impacts

	% of all visitors	Average spend (£)				Displacement	Leakage
		2008	2009	2010	2011		
Day and live in region	0.93	26.55	27.29	28.05	28.63	0.9	0.1
Day and live outside region	0.05	26.55	27.29	28.05	28.63	0.25	0.1
Staying and live outside region	0.02	59.32	56.68	56.26	59	0.6	0.1

The key points to note about these assumptions are:

- In the absence of complete coverage from visitor surveys across the venues we use the same profile as in the interim evaluation. We assume that, based on the visitor survey carried out for the previous study, that 93% of visitors are day visitors who live in the region, 5% are day visitors from outside the region and the remaining 2% are staying visitors from outside the region;
- Data on average spend per visit is taken from the *Great Britain Tourist Statistics 2011* and *Great Britain Day Visitor Statistics 2011*, both published by Visit Britain. Unfortunately this data, while more up to date than that used in the interim evaluation, does not allow us to distinguish differences in average spend between the two categories of day visitor that we use;
- We make use of the interim evaluation's finding that the assumptions for displacement and leakage are different for visitor expenditure than for venue expenditure.

²⁵ These are jobs that are supported through the venues supply chains (indirect jobs) and through additional expenditure in the local economy as a result of this additional activity (induced jobs)

On the basis of these assumptions and the visitor numbers illustrated in Chart 14, Table 4 presents estimates of the economic impact of visitors to the venues.

Table 4: Present value of tourism expenditure related impacts 2008/09-2011/12 (£)

	2008/09	2009/10	2010/11	2011/12	Total
Total impact (low multiplier)	4,151,000	4,697,000	6,524,000	6,302,000	21,674,000
Total impact (high multiplier)	4,551,000	5,149,000	7,153,000	6,909,000	23,762,000
Total impact exc. Peepul Centre (low multiplier)	3,730,000	3,899,000	5,803,000	5,503,000	18,936,000
Total impact exc. Peepul Centre (high multiplier)	4,089,000	4,275,000	6,362,000	6,033,000	20,760,000

Source: ESRB calculations.

Again using assumptions for both a low and high multiplier value, we estimate that the economic impact generated from visitors to the venues is of the order of £21.7m to £23.8m for the period 2008/09-2011/12. If the Peepul Centre is excluded then the corresponding figures are £18.9m to £20.8m.

4.3 Other Impacts

So far the analysis has focused on economic impacts that can be measured. However, there are a range of additional outcomes and impacts that are generated by the venues covered by this study. Many of these impacts are covered elsewhere through reports on the qualitative evidence generated by the programme of fieldwork. Here we concentrate on what might be the most significant of these: education activities undertaken by the venues (for the Level Centre these activities are its core function). The impacts generated by the provision of educational activities will be captured within the broader economic impacts set out above (for example from expenditure on teaching and learning materials, staff etc). What is not captured by those impacts, and in many ways is potentially much more significant, are the longer term benefits from what is an investment in human capital.

Examples of the potential benefits from the venues' educational activities include: the development of critical thinking and evaluation skills, the development of appreciation of the arts in particular, and contributes to the development of vocational and professional skills. Not only are these benefits long term in nature and likely to be rather diffuse, they are also impacted by a range of other factors which means that attributing these benefits to participation in educational activities at the venues is extremely difficult and outside the scope of studies such as this. However we are able to present data that describes the nature and scale of educational activities and how these have developed in recent years.

In terms of scale, the educational activities of the venues are large. In 2011/12 over 95,000 people participated across the venues. While all of the venues provide these educational activities, the type and level of activity varies significantly, from formal postgraduate degree level qualifications to informal workshops. Examples of activities undertaken by the venues include:

- **Broadway:** in conjunction with Nottingham Trent University Broadway delivers an MA in Film Practice. It has a regular program of film courses (around 2 hrs in the evening for 6-10 weeks);

- **Nottingham Contemporary:** its schools and colleges programme includes group visits and workshops with artists. It also runs a programme of regular family events;
- **New Art Exchange:** its schools and colleges programme offers guided tours and artist led workshops, it runs family friendly workshops and recently introduced the “Academic in Residence”;
- **QUAD:** has a dedicated Education Curator who oversees a programme of activity that includes artist led workshops and exhibition based workshops across film, photography, digital and visual arts and link this activity to the National Curriculum where relevant;
- **Level Centre:** their core activity is the development of arts skills among adults with learning disabilities;
- **Royal & Derngate:** has a programme of regular and bespoke projects at primary, secondary and tertiary levels;
- **The Curve:** offers a range of theatre related activities with schools and runs a series of workshops open to all.

4.4 Visitor Satisfaction

One aspect of how the venues measure their performance is through visitor satisfaction. In the interim evaluation SQW/BOP reported on results of a survey of visitors to the venue. In that study reported levels of visitor satisfaction were very high- 94% reported being satisfied or very satisfied with their visit to the venue. While this study has not been able to conduct a similar survey so that we have comparable results, we are able to report on surveys run by the venues themselves.

These surveys are not always comparable across venues so we are unable to present a time series that illustrates collective satisfaction over time. However, we are able to comment on the results from surveys that relate to particular exhibits in particular venues over time and give an illustration of the very positive experiences that the venues generate for their visitors.

A number of the venues run a survey that contains the following question:

- *How did you find these aspects of the venue?*
 - *The exhibitions/shows*
 - *The venue/building*
 - *The staff*
 - *The café/shop*
 - *The whole experience*

Using results relating to the whole experience, the range of positive responses²⁶ from these surveys was always higher than 90%, with a range from 90.5% to 99%. Of particular interest to this study are the findings that relate to satisfaction with the exhibitions/shows and satisfaction with venue/building. As with the results for the whole experience visitor feedback is generally very positive. Satisfaction with the exhibitions/shows is, perhaps unsurprisingly given the subjective nature of art, a little lower and more variable than satisfaction with the venue/building. In the

²⁶ Respondents were asked to respond on a 1 to 6 scale with 1= unsatisfactory to 6= great. For the purposes of this analysis a positive response has been defined as 4-6 on this scale.

sample of surveys examined satisfaction with the exhibitions/shows ranged from 82.1% to 97% (it should be noted that the 97% figure is something of an outlier in this sample, with the next highest figure being 90.7%). For satisfaction with the venue/building all of the survey readings were in excess of 90%, with a range from 90%-99%.

Some of the venues run more ad-hoc surveys that cover some of the same ground as outlined above but use differently phrased questions that capture overall approval of the venue or the challenging nature of the exhibitions/shows and these are also generally positive.

We are also able to extract some data from the surveys that have been made available to us on whether or not visitors are repeat visitors or first time visitors. Repeat visitors could be interpreted as revealing a preference for the venues and their offerings. This data is more limited with fewer readings and benchmarks available but what we do have indicates that around half of the people who responded to these questions had been to the venues before.

Given the sample of surveys that we have been able to examine we have to be careful with the findings that we report above. Nevertheless, this provides evidence that visitors to the venues are appreciative of the investments made in the physical fabric of the buildings and the on-going artistic and cultural activities that take place within them.

5. Summary of Fieldwork – Phase 1

The methodology set out in the previous section has been operationalized through a mixed method approach that incorporates both deskwork and fieldwork and quantitative and qualitative analyses. This section sets out the findings from the qualitative research undertaken for this report. A number of elements comprised the fieldwork for this project. This programme consisted of a series of preliminary interviews with the Arts Council and each of the venues and subsequent interviews with key stakeholders of each venue, business people.

The principal objective of the initial interviews was to collect as much information as possible about the nature and operation of the venues. Findings from this on-going programme of fieldwork are summarised below – including a number of interviews with business people, property developers economic development and regeneration practitioners:

5.1 The importance of non-economic impacts

Without exception, respondents highlighted the importance of understanding non-economic impacts of the contribution of the venues to their communities is to be fully understood. It was generally felt that the original BOP/SQW study had given insufficient weight to social, community and wellbeing impacts associated with the operation of the venues. However, it was also accepted that this was in part a function of the economic emphasis of the RDA Impact Evaluation Framework that EMDA and their consultants were required to implement at the time.

It was accepted that economic impacts are important to stakeholders such as Local Authorities and originally EMDA, but reference was also made to more recent policy emphasis on the ‘Big Society’ as necessitating the development of evaluations able to address the manner in which arts venues help to ‘make lives better’.

At the heart of this question is a tension between two very different conceptions of the value of artistic and creative activity to society: the intrinsic value of the arts/creative activity for their own sake versus instrumental views of the value of the arts derived from their economic contribution to society.

Tensions between RDA IEF approach and those more commonly used in the sector (e.g. the Shellard/Sheffield approach) were noted by a number of respondents. It was however acknowledged that there is no single, widely accepted approach to evaluating the impact of the sector. The difficulty in assessing the community impact or value of arts activity was also noted.

The need to develop a common, validated and credible approach to the assessment of community or social impact was noted by several respondents. Indeed the AHRC and the ESRC have funded a number of recent projects in partnership with DCMS intended to facilitate the development of new approaches to valuing the benefits associated with cultural activities or raise awareness of existing practice that is relevant to the arts²⁷.

²⁷ See for example Donovan, C. (2013) *A holistic approach to valuing our culture: a report to DCMS*, Brunel University.

It is noteworthy, that the respondent who spoke most positively about the BOP/SQW approach represented the only venue where the consultants had not applied the conventional RDA IEF economic impact methodology. For the Level Centre in Derbyshire, it was recognised that as the venue was not a public arts venue in the conventional sense, impact should be addressed in a more qualitative fashion – based on feedback from the Level Centre’s user community. Indeed the Level Centre still quotes the findings of the original BOP/SQW study on its website.

Since these interviews took place Maria Miller, Secretary of State for Culture, Media and Sport, reiterated, in a speech on the 24th April 2013, the need to focus on the economic impacts and contribution of the sector²⁸.

5.2 The role of location

It is evident both from site visits and initial interviews that choice of location has had significant bearing (both positively and negatively) on the usage and financial viability of the venues included in this study. In the case of the Broadway Cinema and the Royal and Derngate Theatres, this was not a purposive choice at all, as both were pre-existing venues trading on their current sites for many years prior to the advent of the Arts Capital Programme. For the other new venues, however, purposive decisions were made to locate new venues on particular sites. It is very clear that these choices have had significant consequences for the on-going operation of the venues.

The Curve, was intended to anchor the development of a new ‘cultural quarter’ in a rundown commercial district of Leicester’s city centre. As a result, it is somewhat isolated from other attractions in Leicester city centre – and experiences less footfall than might be expected had it been placed in a more central or better connected location. This in turn translates into lower receipts from catering/retail activity on the site. This is in contrast to both the QUAD in Derby and the Contemporary in Nottingham – both enjoying more central and better connected locations in their respective city centres. This translates into greater footfall and income generating opportunities from retail/catering operations, which in turn facilitates a degree of cross-subsidy for artistic programmes and a broader funding base.

The locations of the New Art Exchange, Peepul Centre and the Level Centre are very different again. In these cases, location choices were driven by the nature and locations of the specific communities that these venues were intended to serve. Nevertheless, these location choices have still had consequences for the nature and scale of commercial opportunities available to these venues.

5.3 The role of arts capital led regeneration in local development strategies

Initial documentary review, coupled with initial interviews have revealed some interesting differences in the roles/contributions to local economic development articulated for the arts capital programme venues in local development plans and strategies. In three cases, the venues have been linked to the development of ‘cultural quarter’ initiatives. In the case of the Curve, the desire to anchor the development of an all new cultural quarter in a rundown commercial area of Leicester City Centre was integral to the rationale for investment. In two other cases – the Royal and Derngate and the Nottingham Contemporary – venues have subsequently been linked to ‘cultural quarter’ initiatives promoted by their respective local authorities. This project provides an interesting

²⁸ Maria Miller, 24th April 2013, Testing Times: Fighting culture’s corner in the age of austerity, British Museum

opportunity to compare a ‘cultural quarter’ initiative that builds on an established critical mass of cultural and creative activity (Nottingham) with one that represents an ambitious attempt to create such a quarter from the ground up (Leicester). Northampton’s approach is still emerging.

It is evident from site visits and initial fieldwork at the Curve that the hoped-for catalytic impact on the development of the new cultural quarter is yet to fully materialise. This is not to suggest that the Curve and related development has not provided a significant boost to this locality – merely that hoped-for private sector investment has yet to be attracted. It is likely that this is in no small part a function of the depressed economic environment that has prevailed since 2008. The ‘uneven development of the Cultural Quarter’ was also highlighted as presenting challenges to the operation of the venue. The presence of still un-redeveloped properties in the immediate vicinity and some associated anti-social behaviour issues were noted²⁹.

In Derby, the role of the QUAD seems to have been conceived as less about the regeneration of a particular locale (although it does occupy a prominent strategic site) than as an addition to Derby’s ‘cultural offer’. An offer that was seen as in need of enhancement if the City’s major employers were to continue to attract the knowledge workers who were seen as essential to their future competitiveness. As an economic rationale for investment, it echoes the writings of Richard Florida (2002) on the importance of the ‘creative class’ to the competitiveness and development of local economies.

5.4 Timing of the original study and lack of pre-recession benchmarks

A number of respondents have commented that the timing of the original BOP/SQW study was unhelpful or inappropriate for a number of reasons:

- A number of the new-build venues funded under the Programme opened in the teeth of the deepest and longest recession since the Great Depression;
- This has complicated the assessment of impact as there is no pre-recession performance benchmark against which to compare subsequent performance;
- The original interim evaluation was simply too early in the life cycle of some of these new build projects to make sensible assessment of impact possible – impacts from large capital projects are known to accrue over long timescales; and
- The interim evaluation coincided with then on-going funding negotiations in ways that were unhelpful.

It should be noted that the original study was conceived as the first stage of a longitudinal evaluation that was to have taken place over some 7 years. The Coalition Government’s decision to abolish the RDAs in 2010 put paid to this evaluation as originally conceived.

In general, the venues felt that they had coped well with the exigencies of operation in a recessionary economic environment. All have had to adapt their business plans/models in order to survive and most felt that all in all they had coped well.

²⁹ Venue information from ESRB initial interview with Fiona Allen, The Curve, 15th October, 2012.

5.5 Optimism bias in initial business planning for new venues

Notwithstanding positive feedback about the venues ability to adapt to operating in a depressed/recessionary economic environment, a number of venues felt that their initial business plans had been optimistic.

This may link to the nature of the process whereby project teams had to bid competitively in order to secure capital funding for planned development. In this context, it is easy to see why a degree of optimism bias could creep into estimates of the likely scale of custom that venues would attract. Equally, this apparent optimism could simply stem from the fact that projects were conceived and planned in the early-mid 2000s in a time of steady economic growth and relatively low unemployment in the region.

A number of respondents involved in the operation of new venues have highlighted the importance of audience development activity in advance of the actual opening of venues. In this regard, the loss of audience continuity following the closure of the Haymarket (18 months in advance of the Curve opening) makes an interesting contrast to the Nottingham Contemporary - where an extensive programme of audience development took place in advance of opening.

In light of the evident need for adaptation in the face of a far more hostile operating environment than could have been foreseen at project inception, the fact that all of the venues continue to operate and contribute to their communities is no small achievement.

5.6 Concern in relation to public funding availability and 'mix'

Concerns over access to and the nature of public funding were noted by some venues - some suggesting a tension between the need to be more commercial to generate revenue and the need to deliver a programme of appropriate artistic merit/quality.

Reliance of some venues on a cocktail of funding from different sources was also seen to be problematic and appears to have complicated the operation of some venues. This may particularly be the case where different funding bodies required differing project outputs and outcomes.

Further exploration of the practical implications of the funding mix used to fund the development of the venues would seem to be justified – not least because of the national fiscal consolidation now underway and its implications for the funding of arts facilities and regeneration projects in the future. It seems highly likely, from recently published guidance to LEPs on future European Structural and Investment Funds³⁰, that delivery through strategically aligned funding streams from a variety of sources will be the norm for many projects during 2014-2020.

³⁰ HM Government (2013), Structural and Investment Fund Strategies: preliminary guidance to LEPs.

6. Qualitative Impacts – Fieldwork Phase 2

This section summarises evidence gathered in a series of interviews conducted with stakeholders in order to explore some of the wider social and economy impacts associated with the activities of the arts venues and localities encompassed by this project.

The stakeholders interviewed were identified independently by the project team and included business interests, practitioners in economic development and regeneration, and local authority officers. These interviews were used to verify and explore, from a non-venue perspective, some of the kinds of impact identified in the first phase of fieldwork and review of documentary sources.

6.1 Sense of place/identity

The East Midlands has often been cited as an English region that lacks a strong sense of regional identity³¹. In this context it is interesting that a number of interviewees suggested that investments in the iconic arts venues that are the subject of this study have influenced the way that local residents think about and identify with the areas in which they live.

“Residents sense of place and pride in their locality always manifests itself in the workplace... workers are less productive if they are miserable about their place...” [local business leader].

While clearly a very personal view of the importance of local identity and pride from an economic perspective, it does point to a wider significance that some in the business community attach to the provision of cultural amenities that contribute to both employees sense of place and pride in their local community.

This view is also echoed in the words of a property developer:

“Nottingham Contemporary has had a major impact on how the City sees itself and how the City is seen externally.”

It is noteworthy that in both cases the respondents quoted above highlight an internal and an external dimension to the manner in which investments such as those within the scope of this study have affected perceptions of and identification with the East Midlands and its constituent localities.

6.2 Place marketing/inward investment

Venues like the Nottingham Contemporary, QUAD and Curve were said to have had a positive impact on the international reputation of the East Midlands and its cities.

“I have a pretty positive view... all [the venues] have extended the offer that the cities give and that is important in demonstrating to business leaders that you have something to show – a rich cultural offer” [local business leader]

Through its investment in iconic architecture/arts venues, the Arts Capital Programme was said to have brought something “distinctive and different from the normal historical or museum or arena

³¹ See for example Hardill et al 2006, *The Rise of the English Regions*.

type venues” to the region. This comment certainly suggests that the emphasis placed on architectural innovation/quality of design in the development of venues such as Curve, QUAD and Nottingham Contemporary provides a benefit that less iconic or distinctive architecture would not.

An important ‘demonstration effect’ was also noted through developing facilities of this quality and nature – in effect the potential of cities like Derby, Nottingham and Leicester was seen as being demonstrated through investments in the arts venues included in the Arts Capital Programme.

From an inward investment perspective, a number of respondents noted the importance of quality of life or amenity factors in influencing firms’ location choices. A key question asked by potential inward investors was said to be “is this a nice place for their managers to be involved in?”

A senior business leader with extensive experience of inward investment promotion drew a comparison to cities in the United States of America. He suggested that many used their artistic and cultural offer purposively to project a positive international image. In a similar vein, he also noted the importance of a “rounded cultural offer” in differentiating English cities from the ‘ruthless commercialism’ characteristic of some emerging markets in South East Asia and Latin America. Furthermore, the venues and the amenities that they provided were said to be “an expression of the maturity of the society and the economy that we have”.

How far this translates into improved performance for the region in attracting inward investment is hard to quantify. That it is a significant factor that influence firm location choice is supported by the description of the dialogue the typically occurs between developers and inward investment promoter:

“You start off selling the city as a location. The property proposition comes way down the line. The starting point is what’s on offer in this location. Now a lot of that, in fairness, starts with skills. Have we got the people in the City to support the sort of activities. But the link there is, if the answer is yes, well part of the reason is because it’s a great city to live in. If it wasn’t a great city to live in then you probably wouldn’t have that skills base there. And also if you haven’t got the skills, are we going to be able to attract them? Well yes, because of the overall proposition of the city which includes the tram and housing and a host of things besides, but the cultural and social life of the city is an important part of that.” [property developer].

“Nottingham went through a very bad period when it was closely associated with gun crime. A lot of bad press right across the piece and part of that narrative changed when Nottingham Contemporary came along. Not just about Nottingham Contemporary, but I think it was interesting that a lot of national press coverage was starting to change the narrative and a slightly different image begins to emerge.” [property developer]

This respondent went on to say that this ‘changed narrative’ of place was not just a function of the Nottingham Contemporary. He noted that Broadway had also been the focus of much positive national media coverage. Other things were said to have contributed such as the advent of the tram in Nottingham. Together these factors were said to have helped to “redress the balance”. As a developer in the business of attracting investors in order to take forward projects on an on-going basis, he was adamant that the Cultural Capital Programme had and continues to support attempts to attract inward investment to the Region.

These private sector perspectives on the importance of the Arts Capital programme from an inward investment perspective were also reflected in the views of local authority officers interviewed. It is noteworthy that a number of the venues now figure in promotional literature produced by local authorities and their partners in order to promote their localities to potential inward investors.

The most notable qualification to this positive view of the importance of cultural amenities from an inward investment perspective was offered by a Northampton based economic development practitioner. This respondent felt that Northampton's proximity to and accessibility from London meant that firms' location choices were less likely to be influenced by the presence (or absence) of local cultural amenities – largely because, in his view, residents of Northampton and its environs tended to look to London for their 'cultural fix'. He went on to suggest that Northampton's excellent and improving connectivity, central location and housing costs (when compared to other parts of the South East) were far more significant drivers of location choice than the local 'cultural offer'.

6.3 Recruitment & Retention

From a recruitment and retention perspective, both business and local authority interviewees noted the importance of cities in the region being seen as "nice places to come to". This was said not always to have been the case and allusions were made to the period in the early 2000s when Nottingham developed a negative reputation for certain types of crime and antisocial behaviour. Investment in venues like the Nottingham Contemporary, the Galleries of Justice and Broadway were seen to have played a part in helping to turn this negative stereotype around.

Provision of cultural amenities attractive to highly skilled, professional and technical staff was seen as particularly important from the perspective of major employers in the region. All of the venues included in the study were seen as having contributed in this way. It is noteworthy that this perspective was shared by both public and private sector interviewees. This function of the venues echoes that described in the writings of Richard Florida who has consistently argued that for localities to remain competitive, they must be able to attract and retain 'knowledge workers' sometimes referred to as the 'creative class'³².

The case of Rolls Royce's requirement to attract highly skilled engineers to Derby was cited as a specific example of a company that recognised the importance of a wide cultural offer in order to attract and retain recruits of the required calibre. In Nottingham, similar comments were made with reference to major employers such as Boots, EON and the universities.

Two respondents also highlighted the value of cultural amenities such as those included in this study in attracting students to the region – students who would both spend money in the localities around their universities and would develop into potential recruits to local employers on completion of their studies.

"If Nottingham didn't have those facilities, part of the appeal that keeps me anchored and others like me is that wider cultural offer. ... So difficult to quantify, but they are part of the offer of the City and without them I think the City would be a less attractive place to visit, to live in and attract inward investment." [property developer]

³² See for example Florida, R. (2004). *Cities and the creative class*. Routledge.

6.4 Visitor Economy

“The region has two iconic brands – the Peak District and Robin Hood – but this is underpinned by the cultural offer... One of the weaknesses that we have is the external image of the East Midlands and the Three Cities [Nottingham, Derby and Leicester] is quite poor” [local business leader].

The Nottingham city centre venues were described as being key visitor destinations that are positioned nationally and internationally “Broadway’s 400,000 visitors per year doesn’t lie”. Similarly, the Curve in Leicester, QUAD in Derby and the Royal and Derngate were all identified as providing key attractions that drew visitors to their respective urban centres.

See section 4 for a fuller assessment of the economic significance of visitors attracted to the venues encompassed by this study.

6.5 Direct Utility of Venues

A number of respondents noted the extent to which local chambers of commerce and similar business organisations used the venues included in this study for a variety of conferences, networking and business showcase type events. Although not their primary purpose, it is clear that these venues were seen as providing facilities that could be usefully employed by local businesses to support a variety of business development, marketing and networking activities.

6.6 Regeneration and Local Economic Development

Subsequent stakeholder interviews have confirmed the impressions formed during initial fieldwork and site visits to the venues reported in section 5. A number of the city centre venues were described as assets central to local economic development and regeneration strategies and plans. The specific roles that particular venues were felt to fulfil varied significantly as a function both of location and venue type.

An officer from Derby City Council described QUAD as “a lynchpin of the City’s regeneration strategy”. Furthermore, he asserted that it had generated a powerful ‘snowball effect’ with a number of other projects following directly from it.

Similarly, the Nottingham city centre venues were regarded by a number of economic development officers and regeneration practitioners as central to the City Councils’ Growth Plan. Indeed the prominence of the Creative Quarter initiative in the Nottingham Growth Plan is clear in the published strategy document:

“I don’t think you could have designated a ‘creative quarter’ in Nottingham, where it is, without Nottingham Contemporary and Broadway there because otherwise you wouldn’t have had two flagship projects to pin it on...” [regeneration practitioner].

Similarly, Curve was described as a key part of an ambitious plan to regenerate a fairly run-down commercial district within Leicester city centre:

“I think in Leicester there was quite a heroic assumption that investment in the Curve and Phoenix would create a ‘Bilbao effect’ creating something out of nothing” [property developer].

This interviewee went on to contrast Leicester scenario with both Nottingham and Derby. He suggested that the site of Leicester's cultural quarter had been 'barren' rather than building on something established as was the case in Nottingham. While acknowledging that the success of Leicester's cultural quarter initiative (as a regeneration scheme) thus far is open to debate, he noted that these were major investments for the long term. In the long term, his view was that investors would return. He acknowledged that the recession had hindered the potential catalytic effect for private investment of the Curve and neighbouring Phoenix³³.

This perspective on Leicester's Cultural Quarter was not shared by a local business representative who, arguably taking a longer historical perspective, saw this initiative as an attempt to reinvigorate a part of the City in which textiles and related design activities had once been strong. This respondent saw a significant degree of continuity between the area's historic use and the contemporary Cultural Quarter – given its focus on the creative industries. Indeed he noted that the LCB Depot (a creative industries focussed business incubator within the Cultural Quarter) had originally been conceived as a textiles innovation centre – the remit of which had changed, in part, as a result of the evolving sectoral priorities of the then East Midlands Development Agency.

In contrast, New Art Exchange was portrayed as fulfilling a more local community regeneration function:

"New Art Exchange is different. It is an artistic and community hub equally connected to Creative Quarter. It provides access to art coming from a place of cultural diversity, it values ethnicity... It connects into its immediate locale and immediate neighbourhood." [regeneration practitioner].

In general this was not inconsistent with the views expressed about other non-city centre venues included in this study – such as the Peepul Centre in Leicester and the Level Centre in Derbyshire.

6.7 Enterprise Support and Development

In the case of the two central Nottingham venues another dimension of the economic contribution described by respondents related to enterprise support and development:

"Broadway has a very significant creative community of people who uses that space. Almost every creative business in the area drinks there, eats there, accesses their Wi-Fi there. It is the key social hub for that creative class in the creative quarter." [regeneration practitioner].

In addition, Broadway's business incubation function was highlighted as a particularly significant contribution to Creative Quarter's. It is noteworthy that this kind of facility is also provided – albeit on a smaller scale- by both the Level Centre and the Peepul Centre.

In a similar vein, a local authority EDO commented on the way in which both Broadway and Nottingham Contemporary support a wide range of independent retailers, cafes, bars and restaurants located in Hockley and the Lace Market – all of whom benefit from footfall drawn to the area by the strength of the attraction provided by these venues and others nearby. There is evidence of similar local effects around most of the city centre locations included in the study.

³³ Note that although a key development within Leicester's Cultural Quarter, the Phoenix is outside the scope of this study because it did not form part of the original Arts Capital Programme.

7. Conclusions and Recommendations

Economic Impacts

This study has provided a positive picture of impact for the venues reviewed - both in terms of quantifiable economic outcomes and less tangible aspects of 'place making' and amenity value to local communities:

- On the basis of our low multiplier assumption the venues have generated between £79.9m and £81.5m of net additional economic activity between 2008/09 and 2011/12, depending on whether we include the Peepul Centre in our sample;
- The equivalent figures for our high multiplier assumption are £83.2m to £89.4m. We can therefore conclude that the venues have had a significant impact on levels of economic activity during this period; and
- It is noteworthy that this economic impact has been delivered in an extremely challenging economic environment following the onset of recession in 2008.

While all of the venues have had to adapt their business models in the face of difficult economic conditions, these impact estimates demonstrate that the venues funded under the Arts Capital Programme have delivered and continue to deliver significant economic benefits to the local economies in which they are situated.

In addition to these economic impacts, the venues covered by this study have delivered large scale community arts and education initiatives that have reached large numbers of young people and adults. Across the venues a total of over 95,000 participated in these activities in 2011/12. Reported satisfaction with the venues is generally high, in excess of 90% for overall visitor experience and specifically for the venue/building. Visitors are, in general, very positive about the investments made in both the physical fabric of the buildings and the artistic and cultural activities that takes place within them. These views are echoed by those of local stakeholders including local business leaders, local government officers and property developers interviewed for this project.

Arts Venues and Regeneration

The study has revealed contrasting approaches to the use of investment in arts venues to support local economic development and regeneration. Broadly, the cases reviewed as part of this study can be divided between those that had a very clearly defined spatial rationale (such as the regeneration of a former commercial district of Leicester as in the case of The Curve), those that sought to support the development of a wider 'cultural offer' (like the QUAD), and those that were primarily developed in order to support service provision to local communities (such as the Level Centre and the Peepul Centre). This is important in so far as it demonstrates the need to be sensitive to the differing strategic objectives of the schemes reviewed here in any assessment of impact.

Decisions taken at the planning stage can have long lasting impacts on the operation of venues. In some cases there was an evident tension between attempts to use arts venue investment as a driver or catalyst for local regeneration and the potential of venues to generate commercial revenues that can cross-subsidise artistic and community based service provision. Choice of a central location close to other visitor attractions and retail and leisure activity has been a significant benefit to the QUAD in Derby. Similarly the presence of the Royal and Derngate attracts footfall to the benefit of

surrounding retail and leisure businesses. The location of The Curve in Leicester has proved more problematic in this respect – being on the opposite side of the city centre from the principal retail and leisure destinations. This translates into limited footfall.

This experience is suggestive of a potential trade-off to be made between short term commercial income and long term regenerative impact – where the location of development is in any way remote from other city centre attractions. Regenerative impacts by their very nature will tend to accrue over quite long time periods. It remains too early to be definitive about which approach is likely to deliver the greater economic impact over the long term. This does however suggest that the planners of future investment need to consider this potential trade-off early in project development. If the prime motivation for a project is spatial regeneration of an area remote from other attractions, it may be necessary to accept reduced potential for commercial income generation and develop a business plan that reflects this.

It is important to stress that these categories are not mutually exclusive – a spatially targeted intervention may also support the development of a wider cultural offer. Similarly, all of the venues considered here deliver significant community outreach/engagement work. But these categories do reflect differences of emphasis in the primary rationales described in local regeneration plans/strategies reviewed and articulated by interviewees during the fieldwork undertaken for this study.

Current Operation

A number of the venues reported tensions between the requirement to deliver activity of artistic merit and the need to generate commercial income. The requirement to utilise a mix of funding from a range of local, regional and national sources would appear to have created similar tensions between the priorities of different funders. This is not surprising, but does highlight the need to align the expectations and requirements of different funders at the planning stage of major infrastructure projects of the type reviewed here. This is particularly the case in the current climate of austerity in the public sector and is likely to remain so for the foreseeable future.

As is to be expected, all of the venues have been affected by the recession – having to revise business plans/approaches in light of the difficult economic environment they have had to cope with since 2008. The fact that all of the venues remain in operation and continue to deliver a range of benefits to the communities that they serve is testament to the efforts of the staff involved. Also several venues have been affected by the changing nature and extent of Local Authority funding as a result of austerity measures implemented within the public sector since 2010.

Considerations for Future Development

All of the venues explored through this study were planned in the relatively benign economic environment of the early to mid-2000s, but have had to cope with far more challenging operating environments than could have been anticipated at that time. Without exception, this has required changes to business plans and operating models. Several of the venues reported that initial business plans had proved optimistic. Developers of future projects should give careful consideration to the risks associated with optimism bias at the planning and appraisal stage of the project lifecycle.

The experience of the new built venues included in this study has demonstrated very clearly the importance of pre-opening audience development work as a necessary foundation for the delivery of viable visitor numbers post opening. The experience of Nottingham Contemporary most clearly illustrates the value of audience development work during venue planning and construction and was thought to have helped to generate a healthy level of visitor numbers from the point of opening.

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Appendix – Interview Schedules

Draft Interview Schedule - Venues

Purpose of interviews

The purpose of the initial discussions with representatives of the venue management team is to explore overall expectations for the evaluation and perspectives on a range of specific issues relevant to the design of the evaluation programme. Discussions will inform the development of options and recommendations concerning, amongst other things:

- 1) Emphasis placed on different objectives of the evaluation;
- 2) Evaluation design, including detailed evaluation questions and assessment criteria;
- 3) How evaluation resources will be used to achieve optimal coverage of specific questions/issues identified for investigation;
- 4) Approach to implementing the evaluation programme.

Menu of topics for discussion

Feedback on the SQW/BOP evaluation

1. What are your recollections of the earlier evaluation undertaken in 2009?
2. Do you have any specific feedback on the methods employed?
3. What are your views on the findings?

Information expected from the new evaluation

4. What are your overall expectations for the evaluation and its potential contribution?
5. Are there any specific policy or operational decisions that information from the evaluation could usefully inform?
6. Are you aware of any gaps in knowledge or understanding that the evaluation could usefully help to address:

- about local development needs and opportunities.
 - about the effectiveness of interventions.
 - about the effectiveness of delivery process and vehicles.
7. Are there any questions arising from performance management data that warrant special consideration as part of the evaluation?
8. In what ways do you anticipate that the evaluation programme will add value to existing performance management information?

Emphasis placed on different objectives of the evaluation

9. How far should the approach to evaluation place an emphasis on:
- measuring the overall impact to date.
 - capturing lessons from experience to date to inform future business development and delivery
 - social/community benefits in addition to economic.

Information required for the evaluation

10. What information/data can you supply in order to inform the evaluation?
- Financial information
 - Annual reports
 - ACE annual returns
 - Business plans
 - Employment of staff/volunteers
 - Audience/visitor/beneficiary data/surveys – including historic data to facilitate the assessment of ‘additionality’.
11. Is there other information/research that you feel could be useful for the evaluation?
12. Would you be prepared to participate in an audience survey/additional primary data collection if required?

Issues relevant to the approach to evaluation

13. The impact of the economic climate on the operation of the venue?
14. How have you responded to recession?

15. In considering the influence of the programme:

- how far would it be useful for the evaluation to examine the influence on national policy as well as the strategies of regional/sub-regional partners ?

16. What would you say have been the key lessons that have emerged from your experience to date? How have these lessons informed the development of your activities?

17. The evaluation will examine the extent to which the effectiveness and efficiency of delivery processes have contributed to objectives:

18. What are the key internal and external contextual factors that need to be taken into account when assessing impact over time?

19. To what extent has the development of your venue been a catalyst for additional investment in your locality?

Perspectives on proposed approach to the evaluation

20. Do you have any feedback at this stage on proposed overall approach to the evaluation?

Other considerations

21. How should other external interests in the evaluation process and findings be handled during the evaluation process?

Interview Schedule - Stakeholders

Purpose of interviews

The purpose of the interviews with business and local authority representatives is to explore the wider economic, social and community role and impacts of the venues.

A menu of suggested topics for discussion is set out below

Topics for discussion

Feedback on the SQW/BOP evaluation-if aware that it was done

1. What are your recollections of the earlier evaluation undertaken in 2009?
2. Do you have any specific feedback on the methods employed?
3. What are your views on the findings?

Emphasis placed on different objectives of the evaluation

4. How far should the approach to evaluation place an emphasis on:
 - a. measuring the overall impact to date.
 - b. capturing lessons from experience to date to inform future business development and delivery
 - c. social/community benefits in addition to economic.

Business benefits associated with venues

5. Staff retention/recruitment/development – ref Florida etc
6. Client perceptions of region/locality
7. Use of venues for commercial purposes

Impact on inward investment/place marketing

8. Have the venues influenced perceptions of place?
9. Are the amenities that they provide relevant to the ability to attract inward investment
10. Have the venues affected place marketing?
11. Have they affected perceptions of the region/subregion/locality?

Spatial development and regeneration

12. What role have the venues played in facilitating wider regeneration/development
13. Have they had catalytic effects?
14. Have they attracted other public or private sector investment?
15. What role have they played in local development plans/strategies?

Social/Community Impacts

16. Have the venues delivered wider social or community benefits?
17. If yes, what specific impacts would you identify?
18. What particular communities/groups have the venues benefited?

Issues relevant to the approach to evaluation

19. The impact of the economic climate on the operation of the venue?
20. How have you responded to recession?
21. In considering the influence of the programme:
 - a. how far would it be useful for the evaluation to examine the influence on national policy as well as the strategies of regional/sub-regional partners ?
22. What would you say have been the key lessons that have emerged from your experience to date? How have these lessons informed the development of your activities?

23. The evaluation will examine the extent to which the effectiveness and efficiency of delivery processes have contributed to objectives:
24. What are the key internal and external contextual factors that need to be taken into account when assessing impact over time?
25. To what extent has the development of your venue been a catalyst for additional investment in your locality?

Information required for the evaluation

26. What information/data can you supply in order to inform the evaluation?
27. Is there other information/research that you feel could be useful for the evaluation?
28. Would you be prepared to participate in an audience survey/additional primary data collection if required?

Perspectives on proposed approach to the evaluation

29. Do you have any feedback at this stage on proposed overall approach to the evaluation?