

## **FoTAT Business Plan - Feasibility Assessment**

**Reviewed: January 2022**

Feasibility Assessment undertaken by Quarterbridge for the submitted Friends of the Alexandra Theatre (FoTAT) Business Proposal, dated May 2021 (appendix 1).

### **Summary:**

Teignbridge District Council have successfully secured funding through the Future High Streets Fund to deliver regeneration projects across Newton Abbot, with a notable project being the redevelopment of the Market Hall to incorporate the Alexandra building and deliver a modern, mixed-use leisure, dining and shopping destination.

The Alexandra building was built as a Corn Exchange in 1871, and converted to the Alexandra Theatre in 1900, becoming a full time cinema in 1927, although the venue has continued to host theatrical performances for several weeks of the year.

The current cinema occupiers are vacating to new purpose built premises in Market Walk as part of a complementary project. As a Grade II Listed building, the Alexandra requires ongoing maintenance, which involves a prohibitively high cost at a time when the Council is revenue poor.

Three options are being explored for the future of the Alexandra building, which will be vacated by its current occupier. The options are: do-nothing, fixed seating / theatre, combined mixed-use development with Newton Abbot Market Hall.

The Friends of the Alexandra Theatre (FoTAT) have submitted a Business Proposal (Appendix 1) for a fixed seating / theatre option. This document provides an overview feasibility assessment of the proposal to support decision making.

A Memorandum of Understanding (MoU), attached as Appendix 2, outlined a process for a stakeholder group to feed into the design process to deliver the scheme in line with FHSF bid conditions, however the MoU was not accepted.

### **FoTAT Proposal Overview**

FoTAT propose to take on the lease of the Alexandra Theatre in partnership with the Newton Abbot and District Musical Comedy Society (NADMCS) to create a Community Arts Hub. Prior to Covid, NADMCS had previously used the Alexandra Cinema space for three weeks annually.

The proposal includes the provision of an entertainment venue to host performances from NADMCS, local groups and societies and regional and national performers, supported by a theatre themed cafe and exhibition space.

Capital works are proposed to include the removal of a wall at the back of the auditorium and the creation of a 269 tiered-seat auditorium across the balcony and ground floor. Improvements would be undertaken to modernise the facilities including the dressing rooms, orchestra pit and fly tower.

In order to deliver the proposed scheme, capital costs have been estimated in excess of £500k, although this is likely a low estimate. Funding is not secured, however potential grant funding opportunities have been identified to include the new Community Ownership Fund, the National Lottery and the Arts Council.

NADMCS and their junior company NEWTS have indicated that they would use the theatre for up to eight weeks of the year, with initial feasibility studies indicating potential for local, regional and national groups to also use the space for rehearsal and performance. The business case outlines the potential for the Alexandra to be used four evenings a week for rehearsal and performance space, and during daytimes for talks, lectures and demonstrations.

The business case assumes a full repairing lease with rental terms of a 6% turnover rent for a minimum 25-year term. Teignbridge Council as landlords would assume responsibility for the external fabric of the building and approve internal capital works.

The proposed staffing structure is based on:

- 1 x PT Manager (25 hours per week)
- 1 x Cleaning Staff (21 hours per week)
- Volunteer Staff for events and activities
- Apprenticeships and training opportunities for young people

### **Financial Case Assessment:**

Income potential is estimated at £109.5k for Year 1, rising to £149.5k in Year 5, with income generating activities including ticket sales, letting fees, subscriptions, fundraising, donations and commercial activities from the licensed cafe.

Commercial opportunities from a licensed cafe / bar appear to have been underestimated, with the proposal operating at a breakeven point. There is potential to generate more revenue through the outlet while maintaining margins.

In order to hit a breakeven point (based on the expenditure outlined in the business case), the venture requires revenue funding of £53k across the first three years to subsidise the salary of a market manager. However, grant or revenue funding has not been secured.

There is an assumed business rates relief of circa £4k per annum against rates payable of £6,413. Clarification should be sought regarding how realistic this assumption may be, although it is possible, if unlikely, that the Valuation Office may re-rate the venue based on a change of use.

Building Insurance has been excluded from the financial case, despite the proposal of a full repairing lease which would include liability for buildings insurance.

Utility costs appear to be extremely low, unless the assumption is that the power is supplied FOC through Market Walk solar panels. We expect the utility costs for a building of this age and size to be significantly higher, in particular for heating. *(There are two figures supplied for utilities, however we have assumed that they make a combined figure of £12k).*

The business case proposal outlines turnover rent of 6%, however finances have only been allocated for circa 2%. Rent levels should be £6,570 in Year 1 rising to £8,960 in Year 5.

## SWOT Analysis

### Strengths:

- Provides a cultural and creative hub for a local and regional audience
- Offers training opportunities through apprenticeships and volunteer work
- There is public support for a cultural and performance venue in the town centre
- Supports strategic objectives to create a Cultural Quarter within Newton Abbot

### Weaknesses:

- Does not support the future viability of the market
- No secured capital funding or route to funding
- Does not reach VfM and LUV requirements associated with the capital funding from the FHSF
- Strong likelihood of ongoing revenue deficit
- Opening four evenings a week and undetermined daytimes may not represent optimum use of this central location

### Opportunities:

- To create a destination cultural and creative venue for Newton Abbot
- To provide creative opportunities for local people through acting, dancing and other performance ventures
- To retain the historic use of the building as an auditorium
- To provide an anchor for the emerging Cultural Quarter of Newton Abbot

### Threats:

- Income will be insufficient to maintain a Grade II listed building of its size and age
- High opportunity cost for Teignbridge District Council and Council Tax Payers, who would lose a commercial asset to support delivery of local services
- Will require ongoing subsidy from Teignbridge District Council, at a time when the Council faces a revenue deficit
- Market project will not be viable without expanded floorspace

### Risk:

- Scheme may not be financially viable, leading to high opportunity cost
- Unsecured grant funding. The scheme requires capital funding in excess of £500k, and ongoing grant funding of £53k over the first three years. This is over and above a £5k donation projection in Year 1. If funding cannot be met, the scheme is not viable

## Overview Assessment

The proposal offers a community led venue that would be an asset to the Cultural Quarter of Newton Abbot through community provision and creative opportunities.

However, the financial underpinning of the proposal is very optimistic, and marginal at best. There is potential for an uplift in revenue, but projected expenditure should also be raised to address the points outlined in the financial assessment.

The successful FHSF bid was based on business case assumptions relating to Green Book Valuations, including demonstrable VfM calculations and land uplift values (LUV). The scheme proposed by FoTAT would not support similar levels of VfM and LUV, and would undermine the viability of the approved market project through reduced floorspace and seating covers.

The capital funding estimates of £500k appear to be too low, and we expect that the works outlined in the business proposal will incur significantly higher costs. The route to funding is unclear, and no funding statement has been included, which is fundamental for a successful Green Book Valuation.

Without secured capital funding and the high likelihood of an ongoing revenue deficit, this scheme poses significant risk that it would not be viable within a five year period, and would lead to a high opportunity cost by reducing the outputs associated with the combined market and Alexandra project.

The minimum 25 year lease based on the terms proposed represents a high risk and potentially onerous liability for Teignbridge District Council.

There is significant value in the cultural and creative programming put forward by the FoTAT group, with many elements able to be incorporated into the emerging mixed use shopping, food, leisure and entertainment scheme proposed for the market. Although not auditorium space, demountable stages, audience seating and flexible lighting rigs would complement the emerging plan, while providing a financially viable offer that can meet funding requirements.

# Appendix 1 - FoTAT Business Proposal

## ALEXANDRA THEATRE: BUSINESS PROPOSAL

### SUMMARY

This document sets out a draft proposal from the Friends of the Alexandra Theatre (FoTAT) to take on the lease of the Alexandra Theatre in Newton Abbot. The proposal is presented in partnership with Newton Abbot and District Musical Comedy Society (NADMCS), although Friends of the Alexandra Theatre would be the lead partner. This is an initial proposal – FoTAT are keen to engage with all interested parties to firm-up the details of the proposal.

### VISION

FoTAT's vision is to turn the Alexandra Theatre into a Community Arts Hub. This would be a fully accessible and inclusive venue open to all. Whilst reflecting the heritage of the building, it would offer a high-quality entertainment venue which would provide a home for NADMCS performances. It would also provide a rehearsal and performance venue for local groups and societies. Regional and national touring performers (including theatre, music, comedy and interest groups) could also make use of the facilities. The Community Arts Hub would also boast a 'theatre themed' café and exhibition space.

### FRIENDS OF THE ALEXANDRA THEATRE & NEWTON ABOUT AND DISTRICT MUSICAL ARTS SOCIETY

Friends of the Alexandra Theatre was created in 2020 with the sole aim of saving the Alexandra Cinema as a standalone Theatre for the town of Newton Abbot. FoTAT is a constituted group. The group are looking to establish a more formal organisational structure (currently favouring a Community Benefit Society model), in the near future.

The origins of Newton Abbot and District Musical Comedy Society date back to 1914 when records describe the first performance to the town by a group of thespians. This group later evolved into the current Society which was formed in 1959. The Society is a Registered Charity (No 291487). The Society owns the old YMCA Hall in Chapel Hall which is used as a rehearsal venue. Outside of Covid-19, performances by NADMCS and its junior section NEWTS are currently hosted at the Alexandra Theatre for three weeks every year.

NEWTS is the junior section of NADMCS. With more than 50 members, NEWTS offers local young people a chance to take part in shows at the Alexandra Theatre, with weekly rehearsals at the YMCA building.

### SETTING

The Alexandra Hall was built in 1871 as a community meeting place. The building has been adapted and upgraded over the years, with the last major alterations taking place in 1995 when a balcony was installed to create a second screen for the cinema. Although in need of some modernisation, the Theatre remains fully functional and has a fly tower, an orchestra pit and dressing rooms.

### Cultural quarter

The Alexandra Theatre forms part of the cultural quarter of Newton Abbot – a group of local facilities bringing cultural events to the town. These buildings include the Passmore Edwards Centre; an architectural icon of the town which is home to the Library. Golden Lion Square – a community venue for outdoor arts events. Newton's Place; the town's new Museum and Town Council offices, and the Alexandra Theatre; a building seen as an important part of the cultural heritage of the town.

### BACKGROUND & CURRENT SITUATION

The proposal to 'Save the Alexandra Theatre' is being brought forward now as Teignbridge District Council have secured funding from the Future High Streets Fund to make significant changes to the town centre. As part of this proposal, Teignbridge District Council are proposing that the Alexandra Theatre would cease to exist as a stand-alone theatre, and instead would be incorporated with the neighbouring Market Walk to create a new multi-purpose Cinema and entertainment/restaurant space. FoTAT maintain that this space would not provide a space suitable for live theatre. They also recognise that the Alexandra Theatre has a long heritage within the town and are keen to do all they can to

preserve that heritage. FoTAT maintain that the vision of Teignbridge District Council for the town centre is entirely deliverable without incorporating the theatre into the Market Hall.

In early 2019 Teignbridge District Council commissioned Fruit Tree Consultants to prepare a Business Plan for the Alexandra Theatre. The Business Plan suggests that the Theatre is viable as a stand-alone performance space.

FoTAT have had some early discussions with Teignbridge District Council and are keen to continue the conversation to reach a satisfactory solution for all parties.

Newton Abbot Town Council have supported the Future High Street bid. They are equally supportive of the protection of local heritage assets – a view which was expressed in the Newton Abbot Neighbourhood Plan, published in 2016.

Given the viability of this proposal, and the support for a community arts hub expressed in the previous consultation work they have undertaken, Newton Abbot Community Interest Company have indicated their support for this proposal.

## CONSULTATION

The public desire to maintain a performing arts venue in the town goes back much further than the ‘Save the Alexandra Theatre’ campaign. It was proposed in the ‘Newton Abbot and District Community Plan’ published in 2008. The Plan proposed a lively community arts and performance scene, to be hosted at a Centre for Community Arts and Performance, Media and Culture. Subsequently, during the consultation for the Newton Abbot Neighbourhood Plan published in 2016, there was strong support for protection of key heritage assets in the town, including the Alexandra Theatre.

More recently in their response to the Future High Street Bid consultation, Newton Abbot CIC was one of a number of consultees who maintained that the Alexandra Theatre should be a space separate from the Market Hall for live performances, events, exhibitions etc.

FoTAT have growing public support for their ‘Save the Alexandra Theatre’ campaign, with more than 4200 signatures on a petition, and an active Facebook group, ‘Keep the Alexandra Theatre alive’, with more than 2,000 members. There is growing media attention. Whilst Covid-19 Restrictions mean that large gatherings are not allowed, FoTAT will seek every opportunity to gauge public opinion in a more proactive way in the coming months.

## PLANNING CONTEXT

The Planning context for the Alexandra Theatre is set out in the Teignbridge Local Plan 2013-2033 published by Teignbridge District Council. The Local Plan is currently subject to a review process. This document references the regeneration of Newton Abbot Town Centre in Policy S14, and states that the Plan will **‘support proposals that reinforce the town’s role as a focus for entertainment and cultural provision’**.

The Newton Abbot Neighbourhood Plan published in 2016 includes a Policy dealing with the Protection of Designated and Non-Designated Heritage Assets. As the local planning authority, Teignbridge District Council are required to take this policy into account in their assessment of any planning proposals.

### **Policy NANDP11 Newton Abbot Neighbourhood Plan**

Newton Abbot’s Designated and Non-Designated Heritage Assets are important to the character and appearance of the town, its community and culture. In addition, such assets make a significant contribution to the economic vitality of Newton Abbot. It is therefore essential that these assets are protected. All development proposals in the town which affect either Designated or Non-Designated Heritage Assets must be accompanied by a Heritage Impact Assessment which assesses the significance of the asset and the impact of the proposed development’.

The Alexandra Theatre and the adjacent Market Hall are both Grade II Listed. This would mean that any external and internal alterations to the building would require Listed Building Consent.

## PROPOSAL

FoTAT have long believed that the town can support a Community Arts Hub. This is a view shared by many other local organisations, including Newton Abbot Community Interest Company.

The current redevelopment proposals would comprise creating a 269-tiered seat auditorium from the balcony to the ground floor. The wall at the back of the auditorium would be removed to create a large area under the seats for a café/bar and exhibition area. A box office would be installed, possibly to the left-hand side of the stage utilising existing office space. The fly tower, orchestra pit and dressing rooms would be retained but would require some modernisation. The proposals are shown in the drawings on the following pages.

## **POTENTIAL USERS**

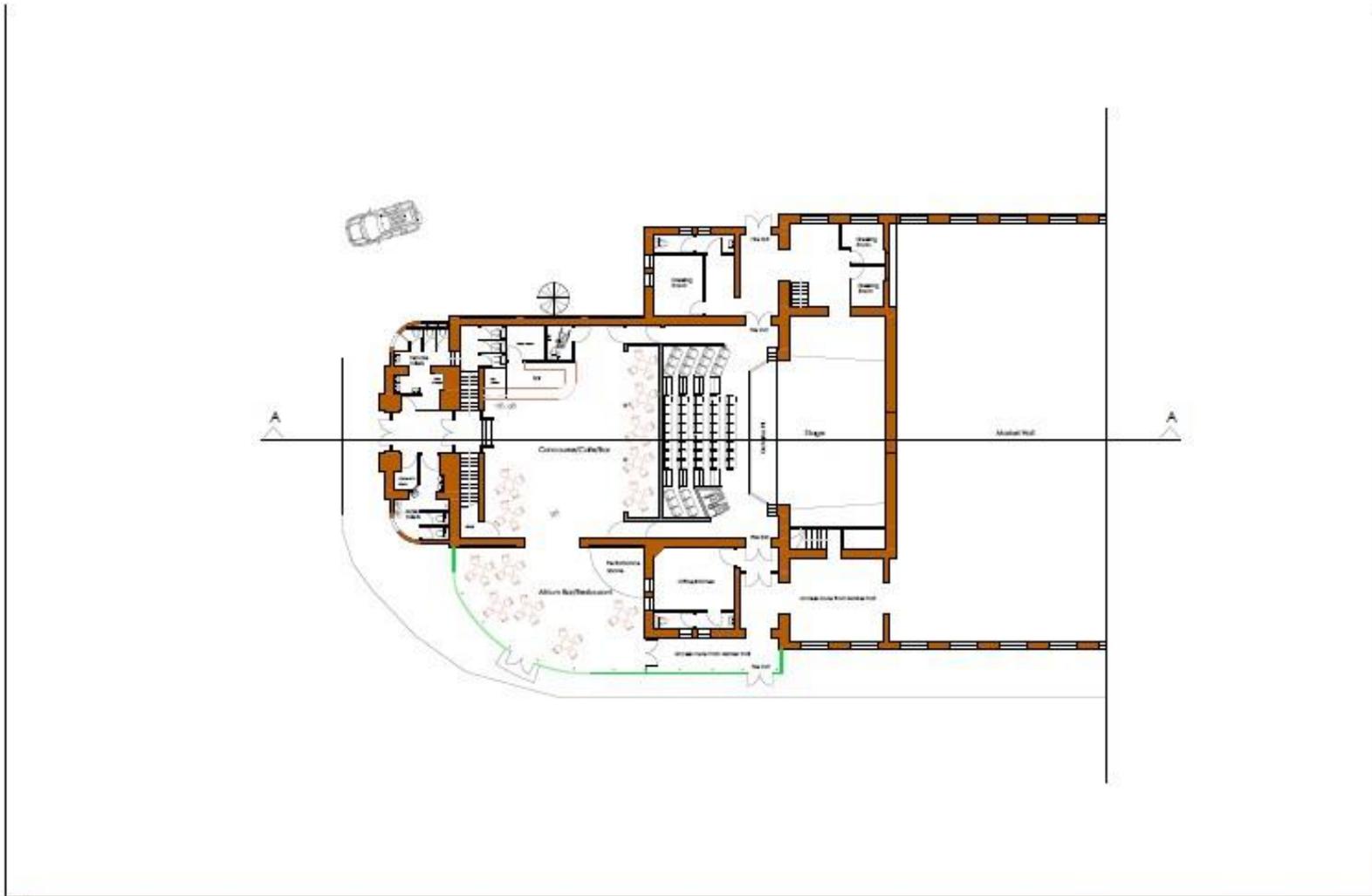
NADMCS have indicated that they would use the Theatre for ‘home grown’ performances by the main company or NEWTS for up to 8 weeks of the year. In addition, the Fruit Tree study identified that there are local booking agents, bands and groups who could potentially make use of the space. In addition, FoTAT have been carrying out their own research and have identified several local dance groups who would like to make use of a facility. Such groups have particular advantages in that they would be looking for regular rehearsal space as well as a venue for performances. Local schools have also expressed an interest in using the facility (particularly those with limited on-site space), and this research is on-going. There are other groups who may find the offer of a dedicated performance space more attractive than their existing performance space – including those currently holding concerts at other community venues. There is also the possibility that a local church group may consider a regular Sunday booking. This needs to be investigated further. There would also be scope for private hire of the auditorium for which there is perceived to be some local demand.

FoTAT is keen to support use of the various spaces during the day for talks, lectures and demonstrations from a wide range of local, regional and national groups, such as historical associations and individual speakers. There could be scope for annual events such as word/literary festivals as well as regional and national touring groups. These would seek to complement the existing town centre venues (such as the Courtenay Centre), rather than work in competition with them. FoTAT is also keen to explore links with the adult education sessions at the Passmore Edwards Centre. The community arts hub could offer an opportunity for them to extend the work they are already doing.

It would be reasonable to assume that as the business grows, the Theatre could be used as a rehearsal/performance space for at least four evenings a week (outside of NADMCS performance schedules and other touring performances), plus daytime and weekend use for scheduled activities.

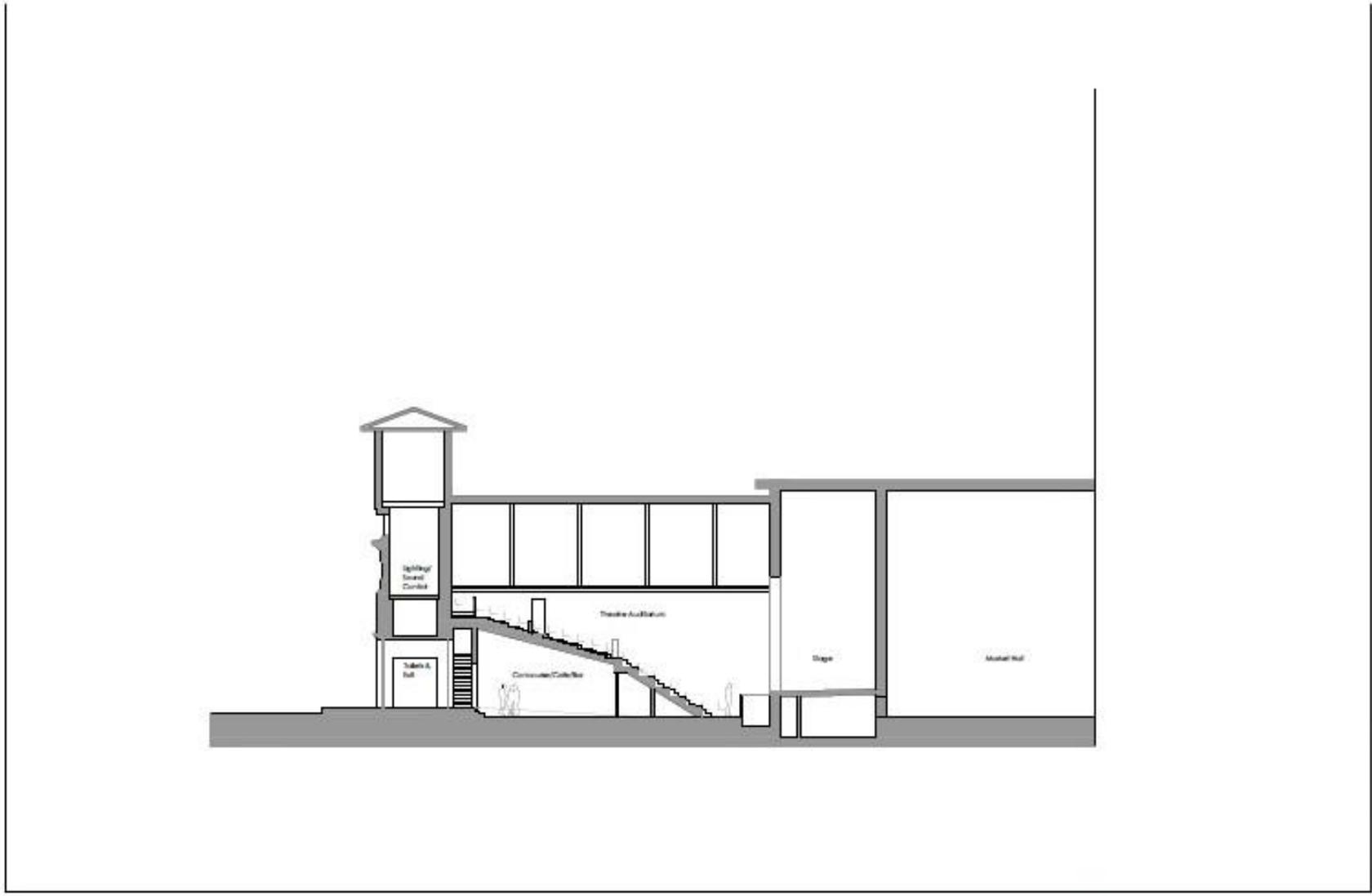
One of the key business aims for FoTAT is to ensure the space becomes an inclusive space for all ages and backgrounds, and, in particular, for groups who would not normally want to or are able to access the entertainment industry. These groups include those who attract social or education funding to improve their functional and societal skills. They would have access to the types of vocations, crafts, and skills typically needed to run and perform in a fully-functioning theatre.

This proposal is presented in the knowledge that the Theatre cannot be used to screen films for a period of 25 years after the closure of the existing cinema.



LSN architects

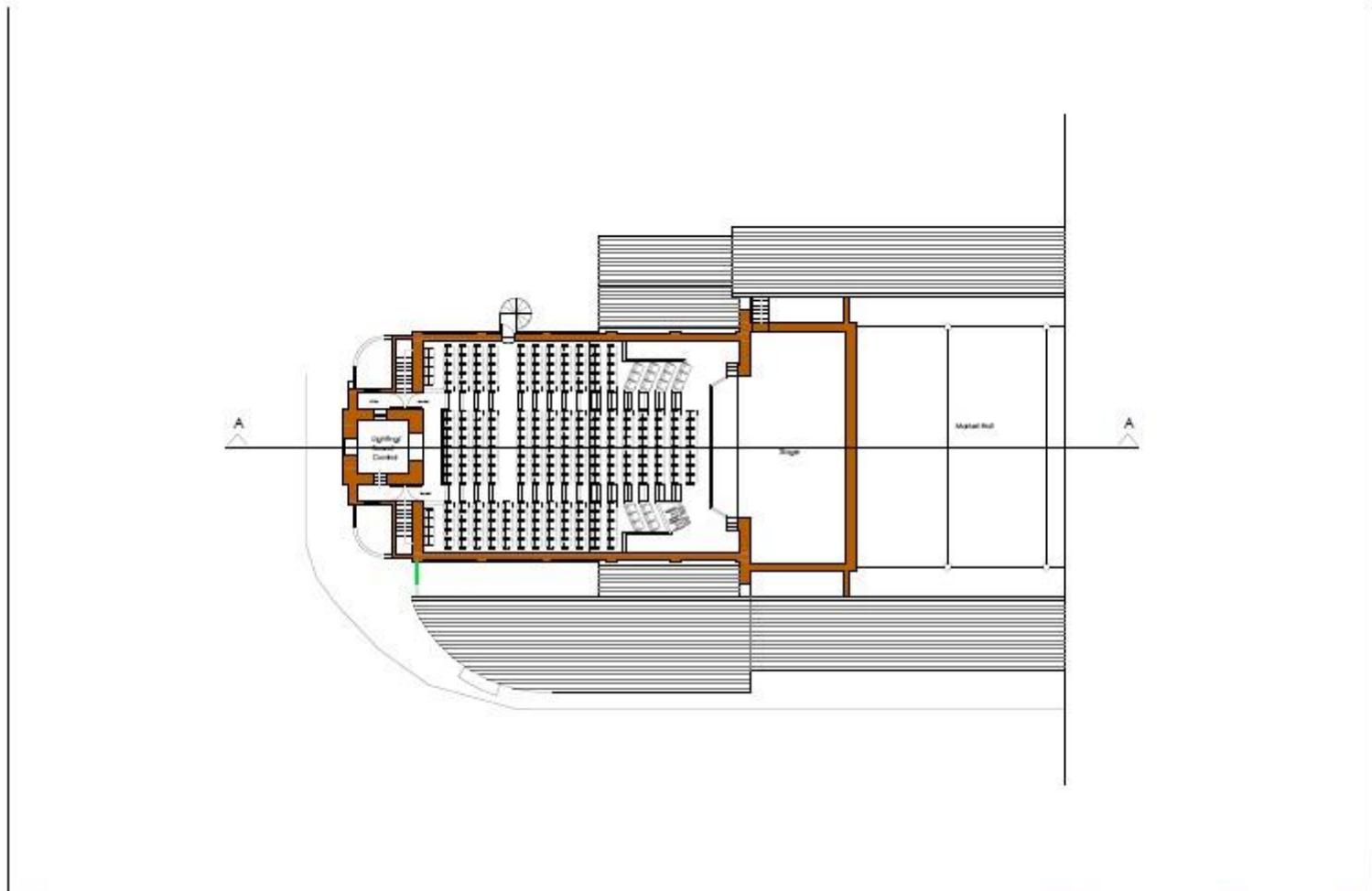
<p>Scale: 1:500</p> <p>© 2021 LSN architects</p>	<p>Client: Alexandra Theatre Group</p> <p>Project: Proposed alterations and extension to the Alexandra Theatre, Market Street, Hamilton A166</p>	<p>Drawn: Ground Floor Plan</p> <p>Date: 04/21</p> <p>Scale: 1:500 A1</p> <p>Project No: 2000-01-01</p>	<p>Sheet: A1 of 01</p>
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client	Alexandra Theatre Group	project	Section A-A	date	04/21
purpose	Proposed addition and extension to the Alexandra Theatre, Market Street, Hamilton A16601	stage	Sketch design	scale	1:100 & 1:200 A1-A2
author	LSN architects	revision			



Scale  
A 1:250 (1:1000)

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Client	Alexandra Theatre Group	Project	Upper Floor Plan	Date	04/21
Design	Proposed alterations and extensions to the Alexandra Theatre, Market Street, New Zealand	Phase	Sketch design	Scale	1:250 (1:1000)
Author	LSN architects	Drawn	AL	Checked	AL

LSN architects

## **BUILDING SUSTAINABILITY**

There is an opportunity within the proposal to seek to incorporate measures related to sustainability, although for this to be viable the costs of the capital investment would need to be offset by grant funding. These opportunities should be explored further as part of the project development. Teign Energy Communities have offered to assist with this work.

## **COMPETITION**

There are no other similar performance venues within the immediate local area. Coombeshead Academy has the Bushell Theatre on site, and whilst advertised as available, restrictions on extended use, operating hours, staff availability and Covid-19 make public bookings challenging. Elsewhere, the Courtenay Centre hosts some regular arts and cultural activities (e.g. the Arts Society), but such venues do not offer the same ambience or technical ability of a dedicated performance venue.

Within a reasonable travelling distance, theatres such as The Little Theatre in Torquay boast a range of in-house productions and touring performances. There are other local performance spaces, including the Ariel Centre in Totnes and the Teignmouth Pavilions, but both of these are purpose-built modern spaces lacking the history of the Victorian Theatre. Subject to the recovery of the cultural industry from Covid-19, there is no evidence to suggest that the local performing arts market could not absorb an additional local venue.

## **PROPOSED MANAGEMENT ARRANGEMENTS**

This proposal is built on the premise that the Alexandra Theatre be leased to FoTAT with rental terms of 6% of turnover for a minimum 25-year term. This would need to be a fully repairing lease where Teignbridge District Council took responsibility for the external fabric of the building. It would need to be leased on the understanding that some internal alterations would be required to make the building viable. The minimum term is necessary to meet the requirements of grant funders who will require a specified term before considering applications for grant funding.

FoTAT are in the process of setting up a Community Benefit Society (CBS) to develop the project to delivery stage. In the longer term it is recognised that a model offering charitable status is likely to be more tax efficient for reclaiming gift aid and mitigating against a future corporation tax liability. One model that could achieve this would be a Charitable Incorporated Organisation. It would be important to create this model before any public fundraising begins, as this would maximise opportunities for reclaiming gift aid on eligible donations.

## **PUBLIC SUPPORT**

Public and community support is a fundamental part of this proposal. FoTAT plan to run a crowdfunding campaign offering rewards in return for donations (including 'buy a seat'). There will also be Patron and Membership packages available, as well as opportunities for local groups and organisations to sponsor a performance or an element of the building.

There is no doubt amongst FoTAT members that they would be able to provide sufficient volunteers to staff the Theatre for events and activities – for example by providing stewards for events. Subject to funding, there may also be the opportunity to engage young people in volunteering by providing apprenticeships/training in theatre related activities.

## **CAFÉ**

This proposal includes the provision of a 'theatre themed' licensed café/bar area. This would be run in-house creating a revenue stream for FoTAT. The cafe/bar would be run along the lines of 'No Limits' a local social enterprise offering inclusive, funded, employment opportunities.

The café would incorporate an exhibition space which could display some of the memorabilia currently held by NADMCS but would also offer space for arts exhibitions by local groups and artists – e.g. Newton Abbot Photographic Club.

## **CAPITAL COSTS**

The capital costs would include the costs of altering the auditorium, creating and fitting out the café/bar area and creating a box office. In addition, there would be some additional costs of updating toilet facilities, redecorating the building and replacing the flooring once the internal alterations are complete. Further work is needed to establish these costs, which are estimated to be in excess of £500,000. Grant funding would need to be secured to cover these costs. There are various options available including the new Community Ownership Fund from the Ministry of Housing, Communities & Local Government, the National Lottery and the Arts Council.

## **REVENUE COSTS**

A five-year cash flow projection is shown in the table on the following pages. This is based on various assumptions as listed in the notes column. A revenue grant would need to be secured for the first 3 years of operation to support the salary of a Manager.

The revenue costs include the appointment of a Manager for 25 hours a week. This is considered to be the minimum hours for which the employee could do the job effectively. The Manager would be responsible for generating significant revenue through external bookings, whilst carrying the responsibility for health and safety. The costs also include a cleaner for 21 hours a week. This could be via an employee or a contract cleaning arrangement.

Revenue costs have been put together on the basis of the costs shown in the notes column. This includes evidence from other local theatres, including the Shaftesbury Theatre, Dawlish (which has 147 seats) and is charged at £300 per day, and the Babbacombe Theatre (which has 600 seats) and is charged at £1200 plus 10% of the box office revenue for an eight-hour all-inclusive hire.

## Alexandra Community Arts Hub – Five Year cashflow

Note - annual dates shown are indicative at this stage	2022/23	2023/24	2024/25	2025/26	2026/27	Notes
<b>Income</b>						
Visiting Performance fees & ticket sales	£15,000	£18,000	£21,600	£25,920	£31,104	Assumes lower usage in year 1 with growth of 20% per year
Fees from NADMCS	£3,000	£3,060	£3,121	£3,184	£3,247	Fees from NADMCS for using the Theatre for 8 weeks of the year. Assumes 2% growth in cost per year.
Letting fees	£24,000	£28,800	£34,560	£41,472	£49,766	Assumes income of £2,000 per calendar month for hire, with growth of 20% in years 2-5
Subscriptions	£2,500	£2,750	£3,025	£3,328	£3,660	Consider Membership Fee for discounted tickets
Fundraising and donations	£5,000	£3,000	£3,000	£3,000	£3,000	Assumes organisation will be a CIO or similar which allows for gift aid to be reclaimed on donations. Also consider Membership options
Income from café/bar	£40,000	£44,000	£48,400	£53,240	£58,564	Assumes lower usage in year 1 with growth of 10% per year
Grants	£20,000	£18,000	£15,000	£0	£0	Long-term revenue grants for core costs are unlikely to be available, but a 3-year subsidy for a Manager's salary may be a possibility
<b>Total Income</b>	<b>£109,500</b>	<b>£117,610</b>	<b>£128,706</b>	<b>£130,143</b>	<b>£149,342</b>	
<b>Expenditure</b>						
Staffing costs	£20,270	£20,878	£21,504	£22,150	£22,814	Assumes Manager working 25 hours a week on £30,000 pro rata, will allowance for inflation in years 2-5
Café/bar staff costs	£18,508	£19,063	£19,635	£20,224	£20,831	Café/Bar Manager working 25 hours a week on £25,000 pro rata, with allowance for inflation in years 2-5, plus bar staff costs £10 p/hour x 20 hours
Café/Bar stock costs	£10,000	£11,500	£13,225	£15,209	£17,490	Café/Bar stock costs allows for growth of 15% year on year
Oncosts and payroll fees	£9,531	£8,817	£9,082	£9,354	£9,635	Set at 22% of salary cost, allows for recruitment cost of £1000 in year 1
Utilities	£6,000	£6,180	£6,365	£6,556	£6,753	Based on 3% inflation in costs. Note cost of utilities may depend on age and condition of boiler
Business rates	£2,650	£2,730	£2,811	£2,896	£2,983	Based on 5-year rate relief against rateable value of £13,250. 3% inflationary increase
Telephone & broadband	£960	£989	£1,018	£1,049	£1,080	Based on 3% inflation in costs. Assumes monthly cost of £80.

Note - annual dates shown are indicative at this stage	2022/23	2023/24	2024/25	2025/26	2026/27	Notes
Contents and Liability insurance	£1,500	£1,545	£1,591	£1,639	£1,688	Note building insurance would need to be discussed in lease negotiation. If required, this would be an additional cost. 3% inflation
NODA insurance	£500	£515	£530	£546	£563	3% inflation increase applied. Relates to insurance for Society Members
Utilities	£6,000	£6,180	£6,365	£6,556	£6,753	Taken from Fruit Tree figure but needs to be verified. 3% inflationary rise added for years 2-5.
Lease/rent	£2,520	£2,992	£3,557	£4,235	£5,047	Based on peppercorn figure - may not be realistic
Fire extinguisher & alarm servicing	£2,000	£1,030	£1,061	£1,093	£1,126	Assumption that additional compliance work may be required in Year 1. Allows for 3% inflation
LOLER servicing for rigging & lighting	£1,000	£1,030	£1,061	£1,093	£1,126	Exact costs of inspection would be subject to on site verification by a specialist. Allows for 3% inflation.
Trade Waste & other disposals	£1,500	£1,545	£1,591	£1,639	£1,688	Annual commercial waste collection fees. Allows for 3% inflation.
Cleaning	£13,100	£13,493	£13,898	£14,315	£14,744	Assumes 21 hours a week @ £10 per hour. Cost of contract cleaning would be similar. Two posts would be needed to cover holidays and sickness
Cleaning materials	£500	£515	£530	£546	£563	3% baseline inflation
Pest control	£290	£299	£308	£317	£326	Pest control for food areas
Office costs	£2,500	£2,575	£2,652	£2,732	£2,814	3% baseline inflation
Accountancy fees	£1,000	£1,030	£1,061	£1,093	£1,126	3% baseline inflation
PRS/PPL fees	£2,000	£2,060	£2,122	£2,185	£2,251	3% baseline inflation
Volunteer expenses	£1,000	£1,030	£1,061	£1,093	£1,126	3% baseline inflation
Credit card costs & online booking	£2,000	£2,060	£2,122	£2,185	£2,251	On site card charges plus fees for online booking
Repairs and renewals	£2,000	£2,060	£2,122	£2,185	£2,251	3% baseline inflation
3% Contingency	£2,170	£2,174	£2,239	£2,306	£2,375	3% baseline inflation
<b>Totals</b>	<b>£109,499</b>	<b>£112,289</b>	<b>£117,513</b>	<b>£123,196</b>	<b>£129,403</b>	

Profit and Loss	£1	£5,322	£16,516	£23,463	£43,402	
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## RISKS

The following risks have been identified to date. These relate to the project development stage rather than the building management.

Risk	Likelihood	Impact	Actions
Teignbridge District Council feel unable to support the proposal	Low	High	Agreement in principle to develop the proposal needs to be secured at the outset.
The theatre fails to meet predicted usage targets	Low	High	Predictions have been set at a realistic level for the initial stages of the Theatre. The project development period should be used to further ascertain predicted usage.
Covid-19 continues to disrupt the theatre and entertainment industry	Medium	High	Sufficient reserves need to be in place to mitigate potential costs incurred during a period of closure.
Lack of volunteers	Low	High	Promote the opportunities early both within the Society and in the media. Provide opportunities for younger people to get involved – e.g. a training scheme.
Lack of custom for productions	Low to medium	High	Recruitment of an appropriately skilled Theatre Manager should occur at the earliest opportunity once funding is in place. Some of the productions will have an established audience, so the likelihood of this risk is perceived to be lower than would be the case in other circumstances.
Inability to recruit the right manager	Low to medium	High	Offer a fair level of pay and flexible working arrangements to broaden the field of potential candidates if possible.
Inability to achieve any grant funding	Low	Medium to low	Work is already underway to identify potential funders and sponsors. A crowdfunding campaign would also be recommended to capitalise on local support.

## NEXT STEPS

The following initial steps have been identified:

- Secure agreement from Teignbridge District Council to progress the project to delivery stage.
- Secure funds for project development, including the appointment of a project development team to fully design the internal alterations to delivery stage, and negotiate with Teignbridge District Council regarding the Listed Building Consent.
- Establishment of a Community Benefit Society to develop the proposals.
- Continued discussions with potential users.
- Early enquiries with potential grant funders.
- Continued efforts to increase public support, with support from Newton Abbot Community Interest Company to carry out additional face-to-face public consultation once Covid-19 restrictions are eased.
- Organisation of a crowdfunding campaign, with support from Devon County Council and Teignbridge District Council once purdah has ended.
- Development of a job description for the Theatre Manager post, with recruitment timetable subject to availability of funding.

## Appendix 2 – Memorandum of Understanding

The Alexandra, Newton Abbot

Stakeholders Group Memorandum of Understanding Date: [ ] May 2021

### 1. Summary

Newton Abbot and District Musical Comedy Society (NADMCS) is a current user of The Alexandra, Newton Abbot.

Friends of the Alexandra Theatre (FoTAT) is group supported by NADMCS and other community organisations and individuals. Henceforward these groups together are known as the stakeholders group.

The Council has submitted a bid for funding to revitalise the Market Hall and Alexandra to reinstate the building in the heart of Newton Abbot. The stakeholders group has agreed to work together with Teignbridge District Council to identify an optimum and beneficial viable use for the building.

It may be deemed appropriate for other stakeholder groups to also be invited to be included in the process as the project evolves.

### 2. Timescale

The stakeholders group will continue until the vision and design work has been concluded and agreed by the Council or until such other date as to be mutually agreed, although there will be provision for any member organisation to leave the stakeholders group at any point (see 4. below).

### 3. Process

In order to achieve a satisfactory final design, the stakeholders group agree to work with the Council and its appointed consultants to an agreed brief and timescale. (see 4. below)

At various points in the process there will be a need for decisions to be made, and all stakeholders will have a role in this decision making process. Due to the nature of the project ultimately the final decision will rest with Teignbridge Council.

Due to the pressure of time and in order to facilitate efficient use of consultant time, it will not be possible for all members of stakeholder organisations to be present at all consultant meetings, therefore it will be necessary for the stakeholders group to nominate a representative from NADMCS and FoTAT to attend consultant meetings and feedback to the Stakeholder group (note these meetings will be during the working day i.e Monday – Friday between 9am and 5pm.)

### 4. Way forward

Subject to a satisfactory funding award from the Future High Streets fund, the Council will appoint a consultant team to assist the refining of the design for the future use of the building.

The brief for that appointment will be agreed between the parties but will be based upon the bid proposal submitted as part of the Future High Streets project For the avoidance of doubt this will ensure the below options are included.

Design Principles:

- Flexible use of the whole space for day time and evening commercial use / theatre and other community and arts use,

- Options for re-connecting the Market Hall and Alexandra
- Options for the provision of theatre / performance seating
- Options for staging
- Options for a proscenium arch
- Options for a fly tower and grid
- Provision for lighting and sound equipment
- Acoustic considerations
- Options for production runs (periodically for 2/3 weeks per annum)

To be considered at detailed design stage:

- Suitable location for (segregated) changing area's/ make up room
- Orchestra pit
- Accessible dock
- Front of house
- Front Curtains

Viability:

- The building must ensure a long term viable proposition for the Council. The current income profile has been designed around what can commercially be achieved from the building to justify the match funding investment the Council are required to make to secure the FHSF funding.
- Funding may be required from the stakeholders to enable the delivery of the design outputs i.e replacement lighting / PA / site specific items required for theatre use etc.
- Compliance with Future High Streets funding assessment criteria (Green Book, Footfall analysis, transformational, sustainable and Cost Benefit Ratio etc) any variations to the scheme which may affect the data submitted as part of future high streets will be carried out transparently with stakeholders.

All parties will be able to contribute to this but the design will also be accompanied by the viability study, which will ultimately lead to a final recommendation for the future use of the space. It is important to note that the funding of the project is contingent on the future high streets fund.

It may also be possible for some member organisations of the stakeholders group to take forward elements of the recommendations from the viability study, whilst others decide to leave the stakeholders group. A version of the viability study will be publically available following the conclusion of the viability study, although some aspects may need to be redacted for reasons of financial confidentiality.

## 5. Decision making and representation

Any variations to the scheme from that submitted as part of FHSF may require FHSF signoff. For the avoidance of doubt if the variations jeopardise the overall success of the scheme and the funding the said changes will not be implemented.

Due to the nature of the project and FHSF funding and the strategic position of the project the final decision on the future design of the building will be with the Council, as the building remains a council asset.

Stakeholders will be invited and encouraged to make representations in the decision making process.

#### 6. Fundraising

The FHSF funding is due to be awarded on the proposals as set out in the submitted bid. This includes provision for theatre space, the Council are supportive of working together, however the full scope of delivery may require further funding which may require Stakeholders to facilitate.

#### 7. Contractual/finance/administration

It is agreed the Council will contract the consultant for the design and viability study and take responsibility for paying and managing the consultant. They will be responsible for the project budget, and of advising the stakeholder group immediately of any budgetary concerns.

All project communication is to be issued through the designated Stakeholder Group Lead/project management lead named above. They will be responsible for the distribution of all relevant information to the named representatives within the member organisations.

#### 8. Member Organisations and Named Representatives

The member organisations that form the stakeholder group are listed below together with the named representative(s) of each organisation.

Organisation Named representative(s) Contact details [add details] [add details] [add details]