

**ABERDEEN PERFORMING ARTS VENUES
A STUDY BY PETER BOOTH AND PAUL ILES
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COMMISSIONED BY ABERDEEN CITY COUNCIL

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1. FOREWORD

This report is the Final Report of the consultants commissioned by Aberdeen City Council to examine the performing arts venues in Aberdeen.

It has been prepared, as the section on Methodology below describes, following an extensive period of consultation both locally and nationally, and is now presented to the City Council to be as a guide to future policy and operation of the venues, and it is anticipated that the Report will also be of importance to the venues, and it is anticipated that these will be shared with each of venues within the City, as well as with partners such as the Scottish Arts Council.

Sections 1 to 6 report the consultants' findings. Section 7 discusses the issue of Governance of the current Council-run venues, and makes recommendations thereon. Section 8 summarises all the other principal conclusions and recommendations. Section 9 sets out an action plan.

The authors of the report express their thanks to all those who gave their time to supply a harvest of documentation and statistics, as well as offering us their substantial experience of the arts venues in the City. We were received warmly, frankly - and more importantly open-mindedly - by everyone we met.

Peter Booth / Paul Iles
Positive Solutions, Liverpool
June 1999

2. INTRODUCTION

2.1 CONTEXT

The Study which has led to this Report was commissioned by Aberdeen City Council's Arts and Recreation Department in the light of

- reviews of the Council's role in the performing arts following re-organisation of local government which took place in 1998
- consideration of the most appropriate structures for ownership and management of a number of important arts facilities within the city (Aberdeen Arts Centre and the Belmont Media Centre) with the implication that similar consideration be given to other venues
- the wider (and increasingly difficult) financial situation of the Council.

The Council will need to respond to the recommendations of this Report in the light of the above factors.

2.2 BRIEF

The contract to undertake the study was awarded by the Council to Positive Solutions following receipt of competitive tenders.

The tasks set by the finally agreed Brief were as follows:

Research and Analysis of Existing Activity:

- the pattern of performing arts provision in the City - what activities are taking place where, how are they managed, financed and promoted?
- the extent to which existing venues are serving community needs
- gaps and areas of over-provision in performing arts venue provision

Proposals for the future:

- the future capital needs of the performing arts in the City and the extent to which such needs might be met through adaptation of existing facilities
- the future role of existing performing arts venues in the City
- specifically, the role which an up-graded His Majesty's Theatre together with the Music Hall and Box Office should play within overall provision
- the management of Council-owned venues and ancillary facilities
- how the performing arts venues might better meet identified needs and markets in the future
- an action plan to achieve such recommendations
- the role of the City Council (and its partners) in implementing recommendations

External Factors:

- the legal and financial framework with which the authority operates
- available funding regimes for capital developments, including Lottery, European funding, SRB, etc.
- the impact of City Centre redevelopment planning, specifically, proposals relating to Guild Street and the Castlegate
- the work of the City Centre Partnership

In short, the two **key outputs of the study** were defined as being

- a strategy - including action plans - for performing arts venue provision in the City to guide future policy and financial decisions
- a strategy for the management of facilities, particularly those currently under the Council's direct management

It should be noted that although the Brief was developed by the City Council (and naturally many aspects of the study were designed to address issues of particular concern to the Council), this review of venues and activities within them has not confined itself only to those venues under the Council's direct control and management - His Majesty's Theatre, the Music Hall, Cowdray Hall and the Box Office.

The report has sought, as required, to take a holistic view - and to be concerned with all venues in the City regularly used for the performing arts, and with those buildings which may have a role in future provision, particularly the Tivoli Theatre.

2.3 METHODOLOGY

The study began with a Briefing from the City Council's Assistant Director (Library and Cultural Services) at which the timetable and methodology for the study were agreed, written material for study identified, and lists agreed of individuals to be consulted directly during the study. The consultants were Peter Booth and Paul Iles (Positive Solutions) and Jo Hargreaves (Morris and Hargreaves marketing consultants).

The specific steps followed thereafter were as follows:

- consideration of relevant written material from within the City Council, the Scottish Arts Council and other relevant agencies; a list of people consulted is attached as Appendix 1.
- review and analysis of performance at the key venues in Aberdeen over the past three years, including a review of programmes, financial performance, audiences, etc. (details of documents studied is included in the bibliography - see Appendix 2)
- review of ACORN and TGI data for the city to assess audience patterns against objective statistical models
- meetings or telephone interviews with individuals concerned with the arts within the City Council and with officers from other departments concerned with particular aspects of venue development; current venues in Aberdeen and with other public agencies in the city (such as the City Centre Partnership) concerned with the future cultural life of the city were also interviewed in depth; interviews were also conducted with representatives of the four national companies who visit Aberdeen on a regular basis as part of their commitment to touring throughout Scotland; discussions were also held with officers of Scottish Arts Council.
- a consultation meeting was arranged at Aberdeen Arts Centre to give representatives of local amateur and other non-professional performing arts groups and societies the opportunity to relay their key areas of concern
- these same societies were circulated with a short questionnaire seeking factual information on their activities over the past year and their views on currently used venues; the consultants also had access to a previous study undertaken by the Steering Committee for the Tivoli Theatre.

This report is the Final Report of the study.

3. PERFORMING ARTS VENUES IN ABERDEEN: AN OVERVIEW

Aberdeen: the City

Aberdeen is Scotland's third largest city after Edinburgh and Glasgow, with a population of 215,930¹ - 4.2% of Scotland's population. The over-all picture is of an ageing population, except that there is a forecast increase in the 12-15 age range of 12% by 2006.

Unemployment rates overall have remained consistently low in the City (currently at about 1.9%), although - as the City Council has recently argued in its SRB bids to the Scottish Office - this overall figure masks some areas of very high levels of unemployment in particular wards. The Council has made a priority of considering the implications for issues related to social exclusion on all its services.

Aberdeen's comparative economic strength can be gauged from the fact that 88% of the male population and 72.1% of the female population are economically active, compared with the Scottish averages of 82.5% and 68.9%. Employment totalled 144,850 in 1996 (of which 41,700 were in oil employment), and is expected to remain stable at around that level until 2011 - though with a sharp decline in oil-related employment to 32,300.

Gross average earnings for men in the City are also above the national average (£465.30 for as opposed to £378 for Scotland), though only moderately higher (£288.50 as against £272.40) for women. Nevertheless, it must be noted that these figures mask (a) substantial levels of poverty in some wards and (b) the considerably higher cost of living - housing, transport, etc. - in Aberdeen.

A higher percentage of the City's school leavers go into employment (35%) or into further and higher education (48%), than the Scotland averages (25% and 47% respectively), even though the City's Higher examination results are lower than for Scotland as a whole.

The presence of the oil industry within the City is one reason (others include the presence of four institutions of further and higher education²) why the City's socio-economic profile is so markedly different in some respects from the rest of Scotland.

Although the numbers of people working as 'Employers/Managers' (socio-economic groups 1 and 2) are identical for Aberdeen and the country as a whole at 11.9% of the working population, the number of professionals - groups 3 and 4 - is significantly higher in Aberdeen (at 7%) than the 4.4% average for Scotland, as also is the proportion of Other Non-Manual workers (groups 5 and 6).

These statistics - if Aberdeen is like other UK cities - indicate that the potential audience for the arts overall will be higher than in Scotland generally, since these socio-economic groups have a higher propensity to attend arts activities than others in the community.

The above-Scotland average of 'professionals' within the Social Class data (7% as opposed to 4.5%) should also indicate a higher propensity to attendance at arts events than the Scotland average.

¹ All figures in this section are taken from Aberdeen City Council '1999 City Focus' or from Aberdeen City Profile 1998

² Aberdeen College, Northern College, University of Aberdeen and Robert Gordon University

The full picture is as follows:

Table 1: Social Class Composition of Aberdeen

Grade	Description	Aberdeen %	Scotland %
I	Professional	7	5
II	Managerial & Technical	25	25
III	Skilled (Non-Manual)	24	22
III	Skilled (Manual)	21	22
IV	Partly Skilled	14	16
V	Unskilled	8	8
	Armed Forces and other	0.8	2
	On a government scheme	0.4	2

The following table provides a further breakdown of the Aberdeen population. It also sets out, in the right-hand column, an index showing how the 'potential to attend events' in Aberdeen compares with the UK average (where the index is 100). The detailed methodology underlying these indices is given in Section 6 of this Report.

Table 2: Employment Structure in Aberdeen

Status	Area %	Area Index
Professional	12%	139
Management / Administrative	8%	112
Clerical / secretarial	10%	129
Other Employed	31%	103
Total Employed	60%	114
Unemployed	3%	46
Disabled or long term ill	4%	64
Students	5%	117
People with Higher Qualifications	17%	130

3.1 ABERDEEN CITY COUNCIL: POLICY AND FINANCIAL CONTEXT

3.1.1 Finance

The 1995 reorganisation of local government has brought new financial difficulties to Aberdeen as for many other Scottish cities. In the area of most concern to this report, this can be seen at its most stark in the proposed reduction of net expenditure (taken from the Council's Initial Estimates for 1999/2000) in the budget for Performing Arts Venues from a projected out-turn of £664,190 in the current financial year (1998/99) to £521,510 in the following year, on gross expenditure which itself shows a fall from an anticipated out-turn of £4.48 million in 1998/99 to £4.42 in 1999/2000.

The expenditure identified is principally generated by the Council's expenditure on a number of significant venues run and managed directly by them, namely His Majesty's Theatre, the Music Hall, Cowdray Hall and the Box Office³. The financial performance of each of these services is considered in detail later in the report;

³ Aberdeen Arts Centre, though appearing in the budget of the Council for 1998/99 as a net cost of £51,030, is assumed in the estimates to be non-revenue demanding in 1999/2000 once responsibility has been passed to the new Trust (see below). In the Centre's last full year of operation as a City Council run venue the net contribution from the Council's budgets was £209,000

summary figures are shown below in Table 3 in order to set the context for the report which follows.

Table 3 : Net Departmental Expenditure on Key Performing Arts Services

	His Majesty's Theatre	Music Hall	Cowdray Hall	The Box Office (net profit)	'Federal' Marketing costs over the 3 venues and The Box Office	'Federal' Support Staff costs over 3 venues and The Box Office
Revised Budget 1998/99	108,450	211,820	14,740	(26,500)	74,660	112,820
Projected Out-turn 1998/99	201,370	237,750	14,740	(10,160)	67,570	101,890
Initial Estimate 1999/2000	109,500	221,890	14,740	(20,550)	77,790	118,140

Detailed implications for the Council are discussed later, but one factor which concerns the Council (particularly at this time of financial difficulty) is the relative budget uncertainty which governs much of its activity in the performing arts field. Thus, for example, ticket sales at His Majesty's in 1998/99 are anticipated to be considerably higher than budgeted (£2.28 million as against £1.52 million - an increase in revenue of £760,000; so, too, are the costs of performances (£2.08 million against £1.34 million).

3.1.2 Policy Context

Responsibility for those venues which are owned and managed by the Council falls to the Libraries and Cultural Services Division of the Council's Arts and Recreation Department. The Performing Arts are a section within the Division.

Like all Departments, Arts and Recreation's work is governed by the Guiding Principles of the City Council itself⁴, which state the Council's commitment to six key principles, as follows:

- equality
- quality
- partnership
- accountability
- economy
- coherence

These Guiding Principles are themselves framed by the Council's Mission Statement which states that

Aberdeen City Council is committed to working for a secure and pleasant environment and sound economy for individuals, families and the wider community who live and work in the City and for those who visit the City. The Council is committed to the provision of a coherent set of high quality services, through the most economic use of finite

⁴ The quotations which follow are taken from "Proposals for the Management and Operation of Aberdeen City Council" (ACC, August 1996)

resources within particular financial constraints and based on the principles of partnership, equity and accountability.

The key policy aims set out by the Council include the 'provision and maintenance of leisure, recreation and arts facilities in the City', and a specific policy commitments are made to

ensure that arts policy is directed at and accessible to all sections of the community.

The **Core Aims** of the Arts and Recreation Department are set out in a separate document, and include the following:

- to enrich the cultural lives of the residents of and visitors to the City
- to preserve and develop local culture and history through collections, venues and archives and set it in an international context
- to ensure physical access to facilities for all people, appropriate hours of opening and outreach services for those unable to use facilities
- to fulfil the role of an 'enabler' by developing increased private and voluntary investment

In the context of the **Key Aims** to achieve the Core objectives, the Department has, in its 1998/20000 Service Plan, set out the following as Aims for its Performing Venues section:

- provide theatre and concert hall facilities to the highest standards in the most cost effective manner
- present a range of performances in music, drama and dance - both professional and amateur - to the highest standards
- undertake ancillary activities to enhance the theatre/concert-going experience
- provide high quality facilities for National Touring Companies
- provide venues and facilities for community purposes
- ensure effective marketing of facilities and services
- ensure quality service by implementing staffing, administrative and training standards.

In respect of each of the above, the Service Plan sets specific targets for the period of the Plan, and those for HMT and the Music Hall are attached to this report as Appendices 3 and 4. They include - for example - Improving the efficiency of the Box Office, carrying out surveys and market research, encouraging increased hires of facilities, filling vacant posts, developing relationships with programme providers.

It will be noted that, although the Department has a detailed operational service plan, there is no over-arching **corporate policy for culture in the City**. The relevant service of the predecessor District Council did have such a policy⁵, but is understood that, effectively, this policy 'lapsed' at the time of reorganisation; it was, in any event, primarily a departmental policy approach (in other words it was not intended to be corporate for the whole Council and its partners), and would almost certainly require considerable up-dating and widening were it to be used as the basis for decision-making in subsequent years. It is understood that mechanisms are now in place for such a strategy to be developed. **The consultants regard the putting in place of**

⁵ see 'The Arts in Aberdeen' (ACC undated)

such a corporate strategy as being an essential planning tool for the future. We return to this issue later in the report.

3.1.3 Management

As noted earlier, responsibility for the performing arts venues lies with the Arts and Recreation Department, and specifically for a designated section within the Library and Cultural Services Division.

The report describes the **management arrangements** for each venue later, but at this point the support structures available to the venues from the Performing Venues Section need to be recorded. A copy of the staffing structure plan is attached to this report as Appendix 5.

This shows support structures being headed up by a General Manager, Performing Arts Venues (a post vacant when this study commenced but now filled). The General Manager is answerable in turn to the Assistant Director (Library and Cultural Services) of the Arts and Recreation Department.

The General Manager is responsible for three key operational areas which provide support to the venues:

- for **marketing** and for the **Box Office**, headed up by the Sales and Marketing Manager
- for all matters relating to the **financial and administrative management** of the venues, headed up by the Finance and Administration Manager

We examine and report on the relationships between the venues' operational staff structure and the support staff structure later in the report.

Responsibility for arts development in its wider context also falls within the Arts and Recreation Department, but within a separate Division - the Cultural Services Development Section.

3.2 SCOTTISH ARTS COUNCIL

The Scottish Arts Council (SAC) awards grants for activities in a number of the performing arts venues in Aberdeen:

- it provides financial support - through the Stage One scheme - to enable high quality, large scale, lyric theatre and drama productions to be seen at His Majesty's Theatre
- it supports through grant aid the national companies which tour to Aberdeen
- it provides annual revenue subsidy to the Lemon Tree

Additionally, as a Lottery distributing body, SAC has funded a programme of improvements at the Lemon Tree, and is aware that a number of capital applications will be forthcoming from HMT, from the Aberdeen Arts Centre, and from the Steering Group associated with the possible re-opening of the Tivoli Theatre, and, later, the possible expansion of City Moves Dance Space to be a National Dance Agency for the North East.

For SAC, the two large scale venues currently operated by the Council are important not only in providing a service to the immediate catchment area, but also in the context of the 'national grid' which is important for touring the 'national companies',

Royal Scottish National Orchestra, Scottish Chamber Orchestra, Scottish Ballet and Scottish Opera. .

SAC recognises that there is a current gap in provision within Aberdeen, namely in the area of middle scale drama. Consistent with its broad approach to Lottery, SAC officers see this gap as one related to attractions in the city, rather than to the programme problems of one particular venue. Its comments about possible support from SAC Lottery for feasibility studies for the Arts Centre and for the Tivoli have (a) encouraged the venues to await the arrival of this Report before making submissions, and (b) have argued that any feasibility studies should examine the demands of the product first, and not be building led.

Nevertheless the consultants note that productions and the buildings which host them are inter-dependant, and for Aberdeen City Council, at least, one is as important as the other in the overall delivery of live performances.

3.3 OTHER DEPARTMENTS AND AGENCIES

As part of the study, a number of other public agencies, and other departments of the City Council have been consulted, in order to understand the wider context within which the performing arts venues operate. In this section the report examines the responses of some of those agencies and departments.

3.3.1 Aberdeen City Council: Education Department

The City Council has, in the past year, benefited from the appointment of an arts and education officer, jointly funded by the Education Department and by the Scottish Arts Council.

The key tasks of the post are to initiate education projects, and ultimately to define a strategy for the arts and education for the City.

Many projects have already been mounted under the aegis of the new officer:

- liaison with the national companies on their visits to Aberdeen to ensure that there is an educational aspect to their work
- commissioning new multi-disciplinary work (including a project in association with Awarehaus), the small Aberdeen-based professional drama company
- developing workshops for children and training for teachers in association with the RSNO.

Historically, the Department maintained a close relationship with the managers of His Majesty's Theatre, less so with the Music Hall - though its work with, for example, RSNO, is an exception. The officer hopes to hold early discussions with the newly appointed General Manager to discuss future plans, recognising that the development of such work at HMT is severely limited by the lack of free available space for education projects: the proposed rehearsal room contained in the current Lottery plans would, therefore, be an important asset to the development of further education work. The appointment within the local authority venues of an officer charged with the development of education and out-reach work would, the officer suggested, lead to an expansion of education programmes, provided that it is supported with a realistic budget.

The officer is also the lead officer for the long-established Aberdeen Children's Theatre company, a production-focused company, which each year presents a major

production, formerly at the Arts Centre (in the space known as the Children's Theatre) but latterly at the Lemon Tree - on the grounds that young people deserve a well-equipped and professional ambience for their work. ACT will expand considerably over the coming years, moving from its current 80 or so participants to nearer 1000, with work remaining production focused, but leaning more heavily towards, for example, devised work, workshops, skill training etc. within five new centres being established in education institutions around the City.

This expansion will lead to greater demands upon the venues. As noted, much of the work will take place within educational institutions, and the officer advised the consultants that many of the facilities available in schools were first rate - particularly the studio theatres in, for example, Harlow Academy, St Machar Academy and Bankshead. The Education Department also retains a substantial central bank of equipment which can be brought in to up-grade school halls, etc., with additional lighting, sound, etc.

The officer was asked about the possibility of the school venues having a greater use by external groups, particularly whether one or more school hall could be brought up to a professional standard to accommodate additional professional and amateur productions (as many already do currently). Her view was that this would present real practical problems: schools would naturally require first call on school facilities, which would make the scheduling in of rehearsals by visiting companies, and of associated education work, difficult if not impossible.

3.3.2 Aberdeen City Council: Planning and Strategic Development Department

Planning Department has a particular concern with the number of potential new venues for the performing arts which are currently being proposed. These are:

- the proposal to bring the Tivoli Theatre back into use as a performance space - important from a planning point of view given its location on the perimeter of a major redevelopment area in Guild Street
- the future of the Citadel, the former Salvation Army building (situated importantly in the proposed - and developing - Creative Quarter of Castlegate), which contains an auditorium capable of holding c.400 people
- the potential redevelopment of the area in which the (now unused) Capitol Theatre is located
- numerous redundant churches across the City

Added to these possible new or revived performing arts venues, what was described as a tidal wave of applications are currently being submitted to the Council for new commercial cinemas, and though cinema facilities are far from ideal for most performing arts use, it is noted that one of the City's cinemas (Virgin) is advertising its availability for rent as a live venue.

Although the Planning Department is concerned with securing a future for all these buildings, officers are understandably concerned

- a) that arts (and often Lottery supported and Council subsidised) facilities seem often to be the first solution to the problem of redundant buildings
- b) that the market for the arts in Aberdeen and its audience catchment area may be finite, and
- c) that the existing stock of arts buildings shows signs of being underused, and, perhaps, the priority ought to be to maintain and secure these rather than to develop new facilities.

It is reassuring to see that one at least of the facilities described above - the Citadel - has already (subject to contract) been found an alternative (and financially less demanding) use as a hotel and conference centre.

3.3.3 Grampian Enterprise Ltd. (GEL)

GEL's perspective on the future of the arts, and specifically their views on the future of the performing arts venues in the City, is important because of the company's role in the economic development of the City and its region.

GEL's view is that cultural activity is important to the region, first, in respect of the role of significant cultural institutions in 'placing' Aberdeen and its positioning internationally as a modern, forward looking destination for inward investment, and secondly in respect of tourism. Culture is not seen by GEL as a 'front line' service - but it does represent an important part of the City's economic development and quality of life mix.

Neither GEL nor the Aberdeen and Grampian Tourist Board (see below) felt that tourism offered great potential to the venues in terms of developing new audiences, but both acknowledged that, on the margins, increasing cultural tourism should at least be researched; the role of the festivals and of certain venues in developing cultural tourism was acknowledged - though felt not to represent significant numbers of new attenders.

Both GEL and the Tourist Board are currently in the process of strategic thinking for the future (in GEL's case specifically about the role of culture), and there is therefore a timely opportunity for the venues to intervene - either directly or through GREAT⁶ - to propose either particular research they might wish to undertake or even for particular schemes targeted at tourist audiences.

3.3.4 Aberdeen and Grampian Tourist Board

Most of the comments on tourism made earlier (under GEL) were reflected in the discussion with the Tourist Board - with an emphasis on the importance of the venues as part of the broader tourism offer. The Board is represented on GREAT, though noted that the focus of GREAT had become largely one of ensuring effective distribution of publicity material, rather than its being developed as a potent marketing consortium.

Tourism statistics for the City itself are difficult to access. The most up-to-date figures available to the consultants date from 1997, which show that the Aberdeen and Grampian region attracted tourists as follows in that year:

⁶ In 1995 a consortium of arts and tourism organisations in Grampian and the Highlands and Islands formed this regional publicity and marketing agency (GREAT), which offers marketing consultancy services, in addition to publicity distribution. The company is affiliated to EAE, a parent consortium in Edinburgh. There is, at present, no audience development agency in Aberdeen or Grampian.

Table 4: Tourist Visits to the Region 1997⁷

	Overseas Visitors to Aberdeen and Grampian				British Visitors to Aberdeen and Grampian			
	Total	Holiday	VFR	Business	Total	Holiday	VFR	Business
Trips	190,000	60%	20%	16%	1,300,000	34%	36%	22%
Value	£54 m.				£153 m.			

The high level of visitors in the 'VFR' (visiting friends and relations) category, particularly among British visitors, is clearly a market that the venues could be tackling, though as a number of those we interviewed suggested, the choice of product for the tourist market may have implications on the broader programme of the venues.

The statistics include attendance figures for a number of arts facilities in the City; these show attendances only at galleries and museums and are not therefore included here. Suffice it to say that the total number of visits identified in 1997 was over 550,000 - of which over 260,000 is accounted for by the Aberdeen Art Gallery.

3.3.5 Aberdeen City Centre Partnership

The Partnership, like the other agencies already described, sees the availability of a strong cultural base in Aberdeen as an essential part of the City's attractiveness to residents, visitors and to potential investors.

The Partnership has in fact in the recent past provided grant aid support to a number of the City's festivals, in order that they might improve their marketing beyond the immediate area of the City and in particular in the Central Belt of Scotland: this was felt to have been a worthwhile investment, and demonstrated that with appropriate marketing the cultural venues in Aberdeen were capable of attracting an audience much wider than its home catchment area.

The Partnership reflected a concern of a number of people spoken to that a greater emphasis on marketing by the venues was essential - though the officer was confident that the venues were well managed, and offered between them a good mix of programming.

4. DESCRIPTION AND ANALYSIS OF THE VENUES

In this section of the Report we examine each of the main venues in turn, looking in detail at their programmes, financial arrangements and box office performance. The final section discusses future education and outreach policies for HMT and the Music Hall.

The consultants have used a comparison of HMT with other touring houses in the UK, and a Table to this effect is included as Appendix 8.

The scope of this report does not include a *detailed* scrutiny of artistic policy, programming operations and finances of each venue. Instead, the consultants focus on key issues for the possible improvement of their management. There is a caveat: although efficiency, effectiveness, accounting and productivity are important

⁷ Figures in this Table and in Table 5 are drawn from STB figures included within 'Tourism in Aberdeen and Grampian 1997'

concepts and tools for the Council and managers' assessment of Best Value, they do not sit well in the performing arts: the consultants stress that this seeming emphasis on 'managerialism' must not disregard the more qualitative measures of audience satisfaction in a vision-driven and creative environment - the quality and range of the actual shows on stage.

4.1 HIS MAJESTY'S THEATRE (1456 SEATS)

This No 1 touring house, designed by the celebrated theatre-architect Frank Matcham, was opened in 1906. It was built for a small-chain of theatre managers, Robert Arthur Theatres Company Limited, who operated it until the Donald family acquired it, whereupon it was programmed in association with the Edinburgh and London based British chain of theatre owners, Howard and Wyndham Limited.⁸ His Majesty's was purchased by Aberdeen Corporation in 1975. The theatre underwent major refurbishment in 1981. James Donald was retained by the council as Theatre Director until he retired in 1995, whereupon a family management link with the commercial era ended. Robert Robson was general manager until 1998 and for the following year the theatre was managed by the operations manager, Martin Milne. In April 1999 Duncan Hendry, previously operations manager at the Music Hall, was appointed general manager. The theatre is regarded by production companies as one of the top venues on the No 1 touring circuit.

It is also one of the most financially self-sufficient⁹. HMT's direct Council subsidy in 1997/98 (excluding 'federal' expenditure for the three civic venues) was £91,200. Allocation of these central costs to each venue, less the proportionate net profit of the Box Office business) would increase the net cost of HMT to c.£200,000: this is less than half the level of subsidy of the average of the other touring theatres sampled.

This achievement is worthy of celebration.

4.1.1. PROGRAMMING AND RESULTS

- *Policy Articulation.* There is a service plan for HMT, which includes targets for different elements of the programme. This contains a schedule of programming, finance and administration, sales and marketing, staff, and building maintenance aims. Following discussions with the general manager, the consultants endorse this plan and its recommendations.¹⁰ However, the Lottery application will require a full Business Plan for HMT and an artistic plan and policy will therefore need to be more detailed.
- *Deals struck with production companies.* Detailed Box Office summaries for the three years ending 31 March 1999 show the productions contracted, performances given, the percentage of capacity achieved, the net receipts, the share to the producing company, the amount retained by HMT and this retention expressed as gross margin. The following table summarises the results for the last three years. Where last year represented the highest of the three years for performances staged - and the best of three years for attendance, it yielded the lowest return to HMT, with the margin falling from 19% to only 11%. This represented £112,211 less income to the HMT on 1996/7. Appendix 8 shows

⁸ See Aberdeen City Council, *His Majesty's Theatre 1906-1996*, Anniversary Souvenir, Aberdeen City Council, Aberdeen, 1996.

⁹ See Appendix for comparisons of financial indicators in fifteen touring theatres where, including HMT and in the year ending 31 March 1998, an average local authority subsidy of £475,070 was required for their operations.

¹⁰ HMT Service Plan 1998-1999 is reproduced in Appendix 4.

comparisons of audience and financial indicators to fourteen other touring theatres, where the average margin retained by the venue is 19%. (The highest is 31% and the lowest is 8%).

- **the consultants emphasise that the subject of deals is fundamental to success: they recommend that the theatre should be aiming to retain approximately 24% of receipts and, further, that the ‘margin retained’ (allied to a new calculation on the true weekly overhead costs of running the theatre) be employed as a key performance indicator.**

Table 5: Comparison Margins 1996/67 - 1998/99

	Perfs	Seats Sold	%	Cash Net of VAT	Share to Producer	Retained by HMT	% Margin
1996/7	310	231,146	51%	£1,998,258	£1,628,445	£369,813	19%
1997/8	314	204,096	45%	£1,787,411	£1,518,252	£269,159	15%
1998/9	316	240,228	52%	£2,522,850	£2,265,248	£257,602	11%

- The slump in margin retained last year was, largely, the result of large losses on guarantees paid to only six out of fifty five productions. This underscores the highly speculative nature of the business, and is no reflection upon the operations manager who has, invariably, negotiated favourable deals. **The consultants additionally recommend that, in future, a new system of monitoring future risk be established. This might take the form of a small risk committee¹¹ who would examine box-office forecasts and potential for each production proposed by the general manager where he needs to contract it on a guarantee exceeding, perhaps, £35,000 in one week. A decision to define the general manager’s delegations on production contracts would protect all concerned.**

Following the re-appointment of an artistically literate general manager, HMT will and should be much more involved in what it presents on its stage. The demand for productions on the No 1 circuit exceeds supply and this is stimulating a more dynamic approach to programming. The general manager will need to discuss casting with producers, work with other theatre managers to initiate productions and even make modest investments to help get new productions to tour.

Programming choices are guided by the known theatre-going market, the availability of productions, the characteristics of the stage and the vision of the general manager. The programme mix has fluctuated during the last three years, recently dominated by a revival in touring musicals.

The consultants recommend:

- **The General Manager set new targets for the programming mix which it is agreed the Theatre should achieve.** These would be based on discussion of the artform categories and ratios in the following summary tables. These new targets should then provide a framework to guide actual programming choices, building blocks onto which the rest of the schedule can be constructed. Minimum artform targets may well seem rather crude and more sophisticated bench-marking could of course be used. HMT might prefer to set targets in terms of the number of tickets sold for different artforms rather than the number of attractions presented.

¹¹ Such a Risk Committee might, for example, include the General Manager, his line manager and a representative from the City Treasury

In particular, the disappointing results for classical ballet and contemporary dance suggest that a new policy articulation and a strategic marketing and educational drive is required, perhaps in association with the dance agency City Moves.

- **Set its programming targets as part of “Best Value”**. This may improve the supply of attractions in relation to HMT’s demands. For instance, if Scottish Arts Council is aware of the programming aims, they may be able to act as marriage brokers by introducing potential subsidised production companies to fill a particular requirement. This is pertinent to the new SAC *Scotland on Stage* fund which aims to reinvigorate Scottish theatre by funding producers and theatres in new partnerships.
- **Partnerships: the consultants recommend that the general manager should develop an increased range of contacts and partnerships with counterparts in other touring houses and chosen producers and companies.** There should be a higher HMT profile in the theatre-world, so that it is more likely to be offered productions sooner rather than later. HMT is currently an associate member of the Touring Consortium. **It should now also consider membership of the Musicals Alliance.** These links should include the programmers at the King’s Theatre Glasgow, the King’s and Festival Theatres in Edinburgh and the Theatre Royal, Newcastle (an informal “northern” circuit). **The consultants also recommend that the general manager should observe best practice in presenting houses abroad. Other staff should also share information with their counterparts in other theatres.**
- **Producing:** Many factors in the changing touring scene have made extension into the entrepreneurial field a matter of enlightened self-interest. **The consultants recommend that the establishment of a small investment budget to help selected attractions get on the road and to achieve more control over which productions it would like to present rather than having always to contract what is on offer.** This work as a company producer occurs, occasionally, at the Mayflower Theatre, Southampton and Birmingham Hippodrome Theatre. There are relatively few No 1 touring productions created in Scotland - this being uneconomic with only three No 1 touring cities. HMT could encourage the two largest building based repertory companies, Citizens’ Theatre, Glasgow and Royal Lyceum Theatre, Edinburgh to tour more productions but it must influence their choice of play for touring. The status quo of “reps are reps and touring theatres are touring theatres” is no longer adequate.

The following pages illustrate the financial results in greater detail (Tables 6, 7 and 8). These tables are followed by three further tables of analysis which set out the programme breakdown by artform over the same three year period.

Table 9: HMT Annual Programme Summary By Art Form For The Twelve Months Ending 31 March 1997

Artform	Perfs	Seats Sold	% Capacity	Theatre Margin Retained %	% of Perfs. on the Year
Classical Concerts	0	0	0%	0%	0%
Contemporary Dance	5	2481	34%	(193%)	2%
Children Theatre	29	22,568	53%	39%	9%
Pantomime	42	34,091	73%	27%	14%
Other Dance	3	3,310	76%	26%	1%
Ballet	27	19,418	49%	10%	9%
Folk & Jazz	3	2,263	52%	27%	1%
Light Entertainment	29	16,024	38%	25%	9%
Musical Theatre	100	92,309	63%	19%	32%
Opera	8	6,337	54%	20%	3%
Amateur	22	14,529	45%	59%	7%
Drama	42	17,816	29%	(12%)	14%
Festivals	0	0	0%	0%	0%
Total	310	231,146	51%	19%	100%

Table 10: HMT Annual Programme Summary By Art Form For The Twelve Months Ending 31 March 1998

Artform	Perfs	Seats Sold	% Capacity	Theatre Margin Retained %	% of Perfs. on the Year
Classical Concerts	0	0	0%	0%	0%
Contemporary Dance	4	1,129	19%	(96%)	1%
Children Theatre	31	22,638	50%	36%	10%
Pantomime	42	34,877	57%	25%	13%
Other Dance	15	6,568	30%	3%	5%
Ballet	13	9,093	48%	27%	4%
Folk & Jazz	0	0	0%	0%	0%
Light Entertainment	31	22,451	50%	12%	10%
Musical Theatre	101	69,120	47%	8%	32%
Opera	2	370	13%	12%	1%
Amateur	12	7,910	45%	66%	4%
Drama	58	26,183	31%	(1%)	18%
Festivals	5	3,757	52%	81%	2%
Total	314	204,096	45%	15%	100%

Table 11: HMT Annual Programme Summary By Art Form For The Twelve Months Ending 31 March 1999

Artform	Perfs	Seats Sold	% Capacity	Theatre Margin Retained %	% of Perfs. on the Year
Classical Concerts	1	236	21%	56%	0%
Contemporary Dance	5	2,810	51%	(99%)	2%
Children Theatre	34	23,174	62%	31%	11%
Pantomime	42	38,211	82%	24%	13%
Other Dance	0	0	0%	0%	0%
Ballet	22	14,919	50%	(15%)	7%
Folk & Jazz	0	0	0%	0%	0%
Light Entertainment	28	20,651	63%	18%	9%
Musical Theatre	118	103,150	64%	7%	37%
Opera	4	5,252	94%	25%	1%
Amateur	12	9,831	76%	47%	4%
Drama	46	19,546	38%	(0%)	15%
Festivals	4	2,448	100%	79%	1%
Total	316	240,228	52%	10%	100%

4.1.2. OPERATIONS

- **Recoverable expenditure.** *The consultants recommend that the general manager review all items of legitimate, fair and potential recovery from visiting companies* (the “contra” account) including the practice of passing credit card charges on to visiting companies, the billed-rate of stage labour additional to the core provision, the marketing expenditure etc. The budgets should identify these as profit centres, with annual targets set and monitored.
- **Amateurs.** *Most amateur residencies are on a hire basis. The deal should be a matter for the general manager but the consultants recommend that he review contractual arrangements*, preparing a paper on the feasibility of contracting these companies on a box-office split (perhaps 60/40 in the companies’ favour). If adopted this would improve relations with amateur companies (important during any future capital fund-raising campaigns) and motivate HMT as a “stakeholder” in their artistic and financial success. There is no standard UK VAT policy and practice on amateur tickets and contracts: this aspect, which has a large impact on unregistered societies, should be monitored through discussion with other theatres, and its implications considered in the deal.
- **Financial Management.** *The consultants recommend that a new format for weekly and monthly trading statements be adopted, geared to the consolidated commercial operations of the venue*, for the use of the management team and arts and recreation department. Successes and failures should be reported and discussed in detail with arts and recreation managers. Precedents from other theatres have been sent to the general manager.

4.1.3 MARKETING

Historically, the marketing function at HMT has focused on publicising individual productions through direct mail and press advertising. Season brochures are mailed quarterly to 9000 people on the mailing list (including the Theatre Club) and, together with handbills and posters, are distributed by the agency GREAT. This approach reflects the necessary short-term imperatives of selling, and has been an overall success. The consultants do not recommend any major change to this work.

However, an additional and more strategic approach to marketing is needed and is discussed elsewhere in this report. A strategy for short, medium and long-term goals for audience, programme and corporate development should be developed, so as to attract new and diverse theatregoers. ***A corporate marketing plan for HMT and The Music Hall (with Cowdray Hall) should be written***, in terms of communicating with the three ‘key’ audiences: theatregoers (current, lapsed and new), opinion formers such as the business community, media and politicians and funders such as sponsors and SAC. ***The consultants recommend that the following areas should be under scrutiny in the short-term: pricing, data collection and analysis, sales/theatregoer interface, audience development, press liaison. The consultants recommend that a small generic marketing budget be allocated for HMT.***

- **Theatre Club.** *The consultants recommend that a review of HMT Theatre Club (4000 to 4500 members) be undertaken*, including the option of creating a Friends’ of the HMT (or linked with the Music Hall), with or without a committee structure, whether administered from the theatre or voluntarily. This should consider the potential of a fund-raising role, needed for the partnership funding

element of the Lottery backed refurbishments. The highest Friends' membership of a No 1 touring theatre is at Norwich Theatre Royal, where 9413 Friends are enrolled. Norwich, and other supporters' groups such as at Blackpool Grand Theatre (3500 Friends raising over £40,000 annually) may offer useful information and experience of best practice.

- ***The marketing deal with producers. The consultants recommend that the general manager review the way in which in which marketing contributions are negotiated with visiting producers,*** in particular whether the parties can or want to delegate this part of discussions to the respective marketing managers. In any event, marketing staff should be given full details of the box office targets and contractual arrangements for each production.

4.1.4 STAFF

The consultants understand that the staff structure has been reviewed by the new general manager and ***recommend that, particularly, he will in future be allowed to fill vacancies on the basis of venue need and budget rather than adhere to protracted council personnel procedures.***

The consultants further recommend that a member of the marketing staff be dedicated to promoting the Music Hall and its programme.

The general manager will produce a new staff organisation chart showing, at HMT, a management team of Marketing Manager, Technical Manager, Finance Manager, Development Manager and Operations Manager. A new post of Education Officer, if appointed, would report to the either the Marketing Manager or Operations Manager.

The consultants recommend that the general manager consider the desirability of making one of these managers a deputy general manager.

4.1.5 CAPITAL, FABRIC, EQUIPMENT AND THE LOTTERY

- ***Building maintenance.*** Repairs are controlled by Property and Technical Services. ***The consultants recommend that the theatre management must, for the sake of the theatre, have a shadow landlord role in determining planned maintenance priorities and for capital works.***
- ***IT.*** The consultants note that staff have experienced prolonged delays in upgrading computer equipment.

Lottery Application: The consultants studied the draft feasibility study for the SAC National Lottery capital applications and are aware that more work is being undertaken before it reaches submission stage. This will include an examination of the phasing of the proposed improvements and extensions. A particular thrust of the application will be to up-grade the theatre, allowing it to be open to the public throughout the day: this means that the theatre's own Box Office should be open from 10.00 a.m. Plans currently under architectural development include a new entrance foyer to reduce congestion before curtain-up, a licensed restaurant or café, corporate hospitality suites, additional public toilets, a rehearsal room, a dance studio, a new green room, and improved access for disabled patrons and artists.

The consultants recommend that a fuller options appraisal and priority listing of all possible HMT up-grades be made before a Lottery bid is submitted. This would include consideration of

- ***Technical/stage.*** The feasibility study has not, thus far, considered the relationship between the foregoing priorities to upgrades in the stage facilities. The technical management of HMT believe that a priority for the Lottery application is the specification and costings for a hydraulic pit elevator, a scenery lift, upgrading of the fly floors, extra lines for tab tracks and a new lighting board. The pit is a priority for Scottish Opera, so that they may tour their full repertoire to HMT.
- ***Restaurant.*** The consultants recognise the desirability of constructing corporate hospitality suites, but believe that the case for a theatre restaurant has yet to be made. Although Lottery applications are partly associated with increasing and organisation's earned income, there are many examples of failed theatre restaurants. ***The consultants recommend that this be subject to further investigation.***
- ***Rehearsal Room.*** A flexible space is needed for education work, dance classes, rehearsals, meetings, and break-out groups for small conferences. This would be invaluable to the work of City Moves. However, the desirability of a separate rehearsal room *and* studio warrants further investigation as part of the options appraisal referred to above.
- ***Design Team.*** Because HMT is a Grade A listed theatre, ***the consultants recommend that consideration be given to the appointment of an experienced theatre architect who would work with the City Architect.*** Such collaborations are frequently arranged for the restoration and up-grading of Victorian and Edwardian theatres: advice should be sought from The Theatres Trust.

4.2 THE MUSIC HALL (1282 SEATS)

This Grade A listed building, built in 1822 by architect Archibald Simpson and expanded in 1859 by James Matthews to include the concert hall, was restored and refurbished by the council in 1986.¹² In addition to the 1282 seat concert hall (which has a standing capacity of 1500) the building comprises a meeting room suite, café and the Box Office.

Positive Solutions conducted a review of the operation in March 1995. The consultants note that most of the recommendations have been implemented, but the following issues remain pertinent:

- **Policy Articulation.** There is now a service plan for the Music Hall, which includes targets for different elements of the programme. This contains a schedule of programming, finance and administration, sales and marketing, staff, and building maintenance aims. Following discussions with the general manager, the consultants endorse this plan and its recommendations.¹³ However, when a Business Plan is written for HMT (needed for the capital Lottery application) the consultants recommend that, simultaneously, a new Business Plan - with parallel methodology, is written for the Music Hall.
- **Planning.** The programming remains, largely, reactive, with the Operations Manager having little time to act as a “creative producer” - finding new, quality attractions and promoters on top of the core hirers - without letting programming ambitions get out of control through expensive, high-risk concerts. There were 161 performances in the year ending 31 March 1999, suggesting that there may be potential to increase the use of the building. Following Mr Hendry’s appointment as general manager, performing arts venues, the consultants **recommend that a new operations manager is recruited as soon as possible**, and that this job description places programming at the forefront of the tasks.
- **Audience Development.** There are no articulated strategies for audience development, other than the work done with the national orchestras. Marketing has not progressed significantly since the Review, largely because the box-office is not integrated with the marketing function.
- **Catering.** This need to bring this under direct management is discussed under 8.1.1 and 8.1.2 below
- **Sponsorship.** The consultants believe that modest sponsorship income could be found for Music Hall promotions and they **recommend that it be included as a joint objective for the two venues**. The consultants understand that the general manager is considering the possible appointment of a Development Manager, in which Case a salary of £17-24,000 would appear to be current market norm.
- **Education and Outreach.** As with HMT, there is a need for an articulated education and outreach policy, which is discussed under 4.10 below.
- **Contracts.** Over 150 annual contracts are agreed with hirers and promoters. The majority of “promoted” events (highest risk) are executed on the *users’* contract; the majority of “hires” (lowest risk) are executed on the *venue* contract. (At HMT

¹² See Jim Pratt, *The Music Hall: A Short History*, City of Aberdeen, Aberdeen, 1993.

¹³ The Music Hall Service Plan 1998-1999 is reproduced in Appendix 2.

all deals are executed on the *venue's* contract). Notwithstanding the possible difficulties of making the parties sign, ***we recommend that the general manager consider framing a new Music Hall contract*** and that this be the pro-forma for all agreements negotiated. It will then be possible, in addition to defining the terms of the hire/split/guarantee, to detail the level and nature of support to be given by the venue. This may improve "recoverable" or "contra" income and offer more protection to the incoming operations manager.

- ***Hire rates by user category.*** ***We recommend that the general manager make an annual review of the difference between commercial and non-profit hire rates.*** Research into the comparative hire structures in other concert halls should be undertaken. The consultants note that the gap between hire categories has narrowed: "non-profit" hire charges have increased at a greater rate than charges for "commercial" hirers.
- ***Cleaning.*** The venue is cleaned under council-contract. Although the three cleaners are loyal, capable and enthusiastic, ***the consultants recommend that, for efficiency, better scheduling and supervision, this should be under the direct management of the operations manager or the house manager.***
- ***Building maintenance.*** Repairs are controlled by Property and Technical Services. ***The consultants recommend that the venue management must, for the sake of the venue, have a shadow landlord role in determining planned maintenance priorities for capital works.***
- ***Technical and Platform Issues.*** There is a need for future upgrading of the backstage and stagelifts. The sound system, which is capable of speech reinforcement, needs upgrading in order to reduce the number and cost of additional equipment hires. This is especially pertinent to in-house promotions where hires of extra equipment cannot be recharged to promoters. There are no flying facilities above the platform: there is possibly a need for a new grid to facilitate flying. Priorities for the venue's future technical requirements should be balanced with the needs of HMT.
- ***Piano and Organ.*** The Bösendorfer concert grand piano is the subject of some controversy. The Royal Scottish National Orchestra believe that it is an inappropriate instrument for a concert hall of this size. The instrument is, moreover, inadequately maintained. The consultants ***recommend that maintenance is added to the responsibilities of the tuner.*** The preference of the RSNO and Scottish Chamber Orchestra would be for council to purchase a Steinway concert grand piano. These are the standard instruments found in a majority of concert halls and they have Scotland representatives who are able to tune and maintain the pianos to a high standard. The *organ* is difficult to use because the console is located in front of the platform. A moveable console, or one located beside the pipe casework, would be preferable as much of the standard orchestral and choral repertoire requires an organ. This is less of an issue for SCO than for RSNO, and the smaller orchestra would tour a portable chamber organ.

The consultants have, with the general manager, analysed the box-office results and contractual out-turns for the year ending 31 March 1999. For 107 performances, where sales are processed through the Box Office, 67,083 seats were sold, being 49% of capacity, taking £541,603 net of VAT. The Music Hall retained £154,634

towards its overheads, being a positive margin of 29%. Table 12 shows the breakdown of these figures.

Only three concerts resulted in negative margins, and these totalled a modest £2268. Additionally, there were a further 54 performances (plus 13 room hires) where the hirer paid the rental but handled receipts - cash receipts and numbers of attendees are unknown for this element - making a further retained income of £240,252. The weekly retention from the box-office was therefore £4,620 in 1998-1999. This is an exceptionally successful return in a notoriously high-risk, one-night stand business and it reveals the acumen of the former operations manager in successfully negotiating a portfolio of deals.¹⁴

The council's *net* expenditure on the Music Hall was estimated to be £211,820 in the year ending 31 March 1999.¹⁵

Although these financial results are not the only criteria of success (they are at least easy to define) the consultants **recommend that a continuing, reliable analytical system and unified data-base for the Music Hall and HMT results is used**, focusing, as with the manager's deal negotiations, on *the percentage margin retained* by the venue. This percentage figure would, the consultants suggest, be a simpler, industry-wide indicator than the one of ratio currently used.

4.3 THE COWDRAY HALL (300 SEATS)

Cowdray Hall, at 300 seats, is the smallest of the Council's directly managed venues, and is located in the main Art Gallery building. It has an extensive programme of hires (for example by Aberdeen Chamber Music Club) as well as a series of evening and lunch-time promotions which are programmed by the Manager of the Music Hall.

¹⁴ For comparison, Glasgow Royal Concert Hall, which is managed by Glasgow Cultural Enterprises Limited (a company limited by guarantee) had total income of £4,018,138, of which £2,270,317 was from box-office, interest and other trading income. It received revenue subsidy from Glasgow City Council of £1,713,196, and further unspecified grants and donations of £34,625. Subsidy was 43 per cent of income, whereas the Music Hall's council "grant" is approximately 32 per cent of turnover when ancillary income is added. *Source: Glasgow Cultural Enterprises Limited, Report and Financial Statements 31 March 1998, lodged with Companies' House 16 December 1998.*

¹⁵ *Source: Performing Arts Venues: Budget Information dated 3 December 1998.* This figure excludes a portion of "federal" venues marketing costs, box-office business centre profit and other central charges such as financial management.

The programme is dominated by music - with performances ranging from string quartets, orchestral concerts originating in schools, piano recitals and Strathspey and Reel events. Usage of the Hall varies over the year, but in the month of February, for example, there were four lunch-time concerts and two evening concerts.

The centre incurs no direct staff costs, the person responsible for the caretaking of the Hall being charged to the Arts Gallery budget. The net cost of the venue to the Council is limited to c.£22,000, with the bulk of costs being incurred (in 1997/98) in Repairs and Maintenance (£10,450) and programme costs of £11,000. Income from rents, hires, etc. was £10,354 - ticket income for direct promotions being credited to the Music Hall.

4.4. ABERDEEN ARTS CENTRE (350 SEATS)

The Arts Centre was established in a redundant grade A listed former church in 1963, being at first an educational resource for the City Council's Education Committee.

It housed a mix of both amateur and professional programming, but after the opening of the Lemon Tree the programme became almost exclusively amateur, with occasional professional shows such as the performances by Awarehaus.

As section 5.3 of this Report makes clear, the Centre is now the foremost facility for the amateur performing groups in the City. It is also an important part of the City centre townscape, and its importance in this respect will be further enhanced if the proposed developments around the Castlegate 'cultural quarter' come to fruition¹⁶.

Until the financial year 1998/99 the Arts Centre - a 350 seat auditorium and gallery space with associated public and back-stage facilities - was owned and managed directly by the City Council alongside its other venues - the Music Hall, Cowdray Hall and HMT. Within the Centre sits the annexe known as the Children's Theatre - though this small studio is in an advanced state of dilapidation.

In 1997 the Centre played host to 212 performances of 78 different productions, and 97 video-screen showings; audiences totalled 38,854. In addition, the Centre plays host to Children's Theatre Workshops on a regular basis throughout the year, and over 500 children participate in workshops around the annual summer Carnival. The Centre also lets out a range of meeting rooms, with 761 bookings during 1997. Bookings overall have shown an increase during 1998.

Early in 1998, the Council decided, as part of a budget review, to withdraw financial provision for the Centre (estimated for 1997/98 at some £209,000); this would almost certainly have resulted in its closure; however, in response to pressure from the users of the Centre the Council agreed to negotiate with the newly-formed Aberdeen Arts Centre Association for the building to be passed to a new charitable company which would take over the Council's responsibility for the management and up-keep of the facility. It is understood that these negotiations are not yet complete, though a 'trial period' of management by the Association - insisted on by the Council as a condition for continuing to negotiate the lease - ended at Christmas 1998.

A proposed 25 year lease leaves the Association with full responsibility for staffing and for the up-keep of the building, including a schedule of major repairs currently estimated to total some £410,000, which work must be completed within three years; in return, the Association (or the legal body which replaces it) will have the option to purchase the building¹⁷.

A business plan has been prepared by the Association, and a major fund-raising programme begun. The Association has already approached the Scottish Arts Council with a preliminary enquiry regarding possible Lottery support: the consultants understand that the Arts Council has responded by indicating that it was awaiting the results of this review.

¹⁶ Castlegate Cultural Quarter comprises, in addition, Lemon Tree Arts Centre, Peacock Printmakers, Awarehaus Theatre Co., Aberdeen Video Access, and the Artists Pad - an art materials shop.

¹⁷ Although the building has an insurance value of over £5 million, the actual value is nearer £300,000.

Although the business plan (drawn up with the assistance of the Community Economic Development Unit of the City Council) recognises the risks involved in taking over the building on the above basis, the projected *revenue* out-turn (based on 50% occupancy) is seen as being manageable, with the provisional estimates for the year 1999 showing income and expenditure in balance around a turnover of c.£120,000 including a contribution to a repairs budget of some £30,000 (25% of turnover). It will clearly be important for the Arts Centre to extend the range of hirers and to maximise earned income unless it is to rely entirely on fund-raising to meet its obligations to the capital repair programme during the three year period, and indeed to develop the building further as outlined in the business plan.

The City Council has made it clear that the Centre will receive no further public subsidy, but it is encouraging to see that the Council's staff have assisted the Arts Centre Association in developing the first business plan.

The venue is an important asset to the City, both culturally and in terms of its location, as well as being, externally, an attractive and important listed building in its own right.

The consultants recommend that the Council, and its officers, should recognise the importance of the Arts Centre in the cultural life of significant numbers of Aberdonians, and take every opportunity to minimise the financial risk which the Arts Centre will carry by continuing to offer advisory support to the Arts Centre, and in particular by doing all it can to assist the new management company to access the necessary funds (a) to secure the building's immediate future and (b) to allow the venue to develop its facilities to the people of Aberdeen.

4.5 THE LEMON TREE ARTS CENTRE

The Lemon Tree, formerly St Katherine's Centre, a three storey YMCA built in the 1937, opened in 1992 as a corporation owned and Trust operated arts centre, largely because of the vision of Cllr. David Clyne¹⁸. It consists of a 200 seat café theatre (400 standing) plus a 150 seat studio theatre (350 standing) and small exhibition area. It opens for a minimum five days per week and programmes around 600 events annually. A first floor theatre bar doubles as workshop space. It programmes a diverse range of events - musically famed for blues, cajun, soul, country, African, reggae, acid jazz, Latin and local rock bands as well as, in the flexible theatre space, a continuous programme of drama, contemporary dance. Mime, physical theatre, workshops, readings, children's shows and contemporary classical music. It invented *Rootin' About*, a significant folk festival.

It has been directed since its opening by Shona Powell, whose careful management and commitment to local performers, allied to a flair for booking the best touring artists, has earned Lemon Tree a reputation as the most distinctive venue in Aberdeen. Audience sales have grown from 60,000 in the first year to 90,000 today. The Lemon Tree's work offers, in addition to performance, the venue to operate as a development agency for artists to collaborate and, further, a community resource for local people to develop through workshops and performance platform opportunities.

The Lemon Tree is a revenue funded client of Aberdeen City Council (£199,287 in 1998-99) and is the biggest Scottish Arts Council revenue aided North East Scotland organisation (standstill at £69,500 in 1999-2000). They also attracted approximately £30,000 in SAC project support grants. Turnover is approximately (1998-99) £738,000, of which c.£210,000 comes from box office receipts. Other income sources include sponsorship (estimated at £40,000 for 1998-99) and catering income estimated at £120,000 net surplus. Its catering operation is set up as a trading subsidiary, covenanting profits to the Trust. This may offer best practice to the future catering operations at the Music Hall and HMT.

The Trust has a well-articulated mission statement, setting precise aims and objectives¹⁹ in each art form including, for instance, an aim to work closely with Aberdeen's only professional drama company, Awarehaus and the implementation of a robust education policy. A Structural Review was undertaken in 1996, which found that the Lemon Tree "consistently delivers more than is theoretically possible".²⁰

The Lemon Tree has no direct competitor-venue for audiences within Aberdeen, although the other locales promote more mainstream, amateur, or larger scale visiting arts. The Trust has recently attracted £450,000 capital grant from SAC National Lottery, together with £150,000 from Aberdeen City Council. This will enable the Lemon Tree to upgrade technical facilities, improve the studio - particularly for dance - allow disabled access to the café as well as other improvements to technical, safety and audience amenities.

4.6. THE TIVOLI THEATRE

The Tivol Theatre in Guild Street is one of Britain's most important "sleeping beauty"

¹⁸ Now Convenor of the Council's Arts and Recreation Committee

¹⁹ See The Trustees, *The Lemon Tree Business Plan, 1998/9-2002/3*, Lemon Tree Trust, Aberdeen, 1998.

²⁰ See Bonnar Keenlyside, *Lemon Tree Arts Centre Structural Review*, Bonnar Keenlyside, Burntisland, 1996.

theatres awaiting recall to theatrical life. Built in 1872 (as Her Majesty's Theatre) by C.J. Phipps and James Matthews, it was modified by Frank Matcham in 1897 and again, in 1909, when he reconstructed the auditorium. There has been considerable interest from the local, Scottish and British media in re-opening the Tivoli. The Theatre is Grade B listed.

The building was well-cared for by its Perth-based bingo operators, and suffered few alterations. The Tivoli has now been unoccupied for eighteen months, and the fabric is beginning to deteriorate.²¹

It could be an excellent additional theatre for Aberdeen, holding approximately 600 seats capacity by present standards. This capacity, together with its proscenium width of 8.55m (28ft) and stage depth of 8.25m (27ft) would be ideal for the many middle-scale professional tours (of all artforms) which by-pass Aberdeen and, probably, for many amateur societies. The Scottish Arts Council has recognised the absence of a middle scale venue in the city as one of the gaps in provision which its capital Lottery strategy wishes to address.

The physical drawback, apart from modernising the stage and seating, is that the front-of-house is cramped, making circulation spaces virtually non-existent and difficult for disabled patron access. An adjoining property could open new possibilities in this regard, but we understand that this neighbouring building, which had been on the market, has recently been sold.

A Steering Group of local people concerned to re-open the theatre as a venue for live performance has been formed.

²¹ See the theatrical and social history: James H. Littlejohn, *Aberdeen Tivoli*, Rainbow Books, Aberdeen, 1986 and Charmaine Tough, *The Tivoli Theatre, Aberdeen: Suggestions for Reviving and Operating a Sleeping Beauty*, unpublished thesis, Queen Margaret University College, Edinburgh, 1999.

4.7 CITY MOVES DANCE SPACE

The Triple Kirks building, Schoolhill, houses a dedicated dance venue: City Moves. This opened in 1991, undergoing further refurbishments in 1998 when, with assistance from the City and the Lottery, a sprung dance floor was installed plus new ballet barres, changing facilities, toilets, showers and facilities for the disabled. Administration is based in a small office at corner of this second floor, lift accessible studio.

The studio and its work provides a platform for dance in Aberdeen and is an embryonic National Dance Agency, offering a full year-round programme of twenty regular dance classes, events and workshops (often in association with the festivals and with visiting ballet and dance companies performing at the Lemon Tree and HMT)²²

It supports the professional dance community in the North East - independent dancers and choreographers are its prime dance resource. It offers them free rehearsal space, support for choreographic development and support for productions.

City Moves is managed by the City Council, employing a general manager (Patricia Reynolds) and a dance development officer (Alison Macbeth). The post of manager is part-funded by SAC.

City Moves is presently preparing a new Business Plan, to identify its potential for expansion into a National Dance Agency for the North East. An adviser from Arts & Business has been engaged and a public consultation meeting is scheduled. The new plan is likely to include a number of new initiatives, with implications for physical resources.

The availability of City Moves Dance Space is exploited to the full: they have a need for a second space for workshops and classes (a weekly Tai Chi class is now held in Cowdray Hall, an unsatisfactory venue for City Moves' work).

The consultants therefore recommend that City Moves Dance Space be closely involved in the design brief for the proposed studio and rehearsal room at HMT and that, in due course, the agency be considered a priority user.

For dance programming in Aberdeen, the general manager considers that the Lemon Tree stage height and depth is too small for many companies such as Diversions and Scottish Dance Theatre. These are more suited to the stage of HMT, but the auditorium capacity is too large for the economics of one and two-night stand small and middle-scale dance company performances. There is particular potential for dance programming when considering whether or not to revive the Tivoli Theatre, although its drawback would be a raked stage.

²² See Fiona Dick, *City Moves Dance Space Feasibility Study*, Fiona Dick Associates, Edinburgh, 1997

4.8 OTHER THEATRES AND VENUES IN ABERDEEN

For the purpose of this study, we have omitted the Beach Ballroom: this is a multi-purpose building dating from 1928²³. The venue is a single storey sprawl of nondescript municipal architecture, resembling contemporary swimming baths and healthcare facilities. It was built for, and continues to host, tea dances, summer concert parties and seaside fare. Once famous for variety it has, latterly, been used for occasional performances by amateur societies among a subsidiary schedule of folk and jazz concerts, wrestling and darts. There are 1,200 stacking chairs in the main ballroom, 200 seats in the Star Room and four licensed bars. It is owned by Aberdeen City Council and is managed by the council catering arm: Aberdeen Leisure Catering Services.

We have excluded consideration of the Aberdeen Exhibition & Conference Centre. Built in 1985, this is mainly used for large pop concerts and seats 4,712 in Hall A, or 1,300 in the Conference Hall. Council may note that, in other cities, this style of performance venue is increasingly pressed into service for large stage musicals.²⁴

In order to limit potential programme clashes and to organise potential marketing liaison, the consultants recommend that the general manager, performing arts venues, seek to improve communication with the general manager of AECC. This is also pertinent to any possible new partnerships with Scottish Opera and the SECC in Glasgow for the production of large-scale arena operas: HMT and the Council could act as a co-producer in an exciting site-specific opera (see also 5.2 below).

We have also excluded consideration of the Capitol Theatre, Union Street. This was built in 1933 and is an outstanding intact survivor from the era of the super-cinema. It was considered to be Aberdeen's most prestigious cinema with annual pantomimes and other regular live shows. It has hosted concerts since the 1950s and is presently unused, except for the former café which functions as a bar. The Capitol still belongs to H.W.G. Donald, although we understand it to be for sale, having failed as a rock music venue. It is an outstanding Grade B listed building which, were it not for the problem of the theatre and concert-going market, deserves a full restoration. The auditorium has one balcony: nothing has been radically altered since the 1930s. Much of it is pure Hollywood, including the swirling carpet designs and original seats. Although the stage is of restricted depth and a road behind would preclude its enlargement, the Capitol still has potential as an unaltered, commodious auditorium with good acoustics and sightlines. It has 1,900 seats.

We also note the existence of The Palace in Bridge Place. This former 1000-seat theatre has been the site of several previous theatres, including Cook's Royal Circus (1888), Jollity Royal Vaudeville Theatre (1891), People's Palace (1893) and Empire Palace Theatre (1898). It was rebuilt as a cinema in 1931 and is presently a nightclub. The venue is Grade B listed. There is also a theatre in Guild Street, formerly the Alhambra Music Hall, a church to theatre conversion in c. 1907, currently divided into retail units.²⁵

²³ This Beach Ballroom is not the former Beach Pavilion, a 600-seat variety theatre

²⁴ The Cameron Mackintosh production of *Les Misérables* is playing extended seasons during 1999 at Newcastle and Sheffield Arenas. The local authority/trust operated No 1 touring theatres were considered too small by the production company (Theatre Royal, Newcastle 1,294 and Lyceum Theatre, Sheffield 1,099 seats) whereas Bradford Alhambra Theatre (1,464 seats) did take the production.

²⁵ References to demolished Aberdeen theatres may be found in J. Keith Angus, *A Scotch Playhouse: Being the Records of the Old Theatre Royal, Marischal Street, Aberdeen, Wyllie &*

Son, Aberdeen, 1878. See also Bruce Peter, *Scotland's Amazing Theatres*, Edinburgh University Press, Edinburgh, 1999 and Iain Mackintosh and Michael Sell (eds.), *Curtains!!!* John Offord, Eastbourne, 1982. Architectural information about His Majesty's Theatre and the Tivoli may be found in Brian Walker (ed.), *Frank Matcham, Theatre Architect*, Blackstaff Press, Belfast, 1980, pp.149-150. Several extant former cinemas have been used as live performance venues, such as the Coliseum (Trades Hall), Electric, Gaiety, King's and Picturedrome, as well as ice shows at skating rinks. See Lionel Carson, *The Stage Guide*, London 1912.

4.9 VENUES OUTWITH ABERDEEN

The consultants note that outwith Aberdeen, but within the broader drive-time catchment area, there are several middle-scale venues, such as in Abroath (Webster Memorial Hall and Arts Centre; a 606 seat middle-scale arts centre reconstructed in 1970, programmed, in the main, with lets. Inverurie Town Hall (534 seats) is a multi-purpose venue, where the programme includes middle-scale drama, a famous amateur pantomime and a popular talent quest. The Dalrymple Hall, Fraserburgh (355 seats) functions as an arts centre. Montrose Town Hall (674seats) and Banff Town Hall (150 seats) are both used mainly for hires. Portsoy Town Hall (200 seats) and Stewart's Hall in Huntly (338 seats) are, like the foregoing venues, members of North East Arts Touring Association, a consortium of arts promoters in Grampian and the North East.

Many of these civic halls are influenced or programmed by local authority arts development officers, as at the Rescue Hall, Peterhead (250 seats), Rosehearty Public Hall (250 seats), Macduff Arts Centre (200 seats) and, perhaps most ambitiously: Haddo House Hall a 350 seat theatre managed by Haddo House Trust and used for small scale touring drama and regular amateur productions of opera, drama and music. This has a resident youth theatre and a workshop programme.

4.10 THE BOX OFFICE

The Box Office, located at the Music Hall but serving a number of venues within the City (including HMT and Cowdray Hall) is managed as an internal unit within the Arts and Recreation Department of the City Council. It will be noted that one of the intentions of the current HMT Lottery application is to enable that venue to open its own box office on a more or less permanent basis, and this would clearly have a major impact on the future of the central Box Office operation which should be reviewed as part of the Lottery application options appraisal referred to under 4.1.

With an annual turnover of c.£4.5 million, the venue's gross expenditure (1998/99 Revised Budget figure) was £398,500 - showing a net profit of £26,500. The total number of tickets sold is in the order of 700,000.

In addition to selling tickets for the venues managed directly by the City Council - including the Conference Centre - the Box Office also sells for the Conference Centre, Aberdeen Arts Centre and for other Aberdeen events, as well as for large scale concerts out of town (such as at the Scottish Exhibition and Conference Centre, Glasgow).

Responsibility for utilising the information contained with the information systems lies, the consultants were advised, within the marketing department of Performing Arts and Venues.

4.11 EDUCATION AND OUTREACH

Theatrical and musical education in Scotland should be part of the country's cultural patrimony: the function of the venues is, nowadays, educational and formative, as well as being, inevitably, recreational, pleasurable and hedonistic. The Music Hall and His Majesty's Theatre do not yet have in place a formal venue education or outreach policy, though they have, historically, undertaken programmes of work which would fall within such a policy.

This work is led by an arts education officer, Jacqueline Mackay, who is based in the education department - a post part-financed by SAC. Her role is to advise the council and implement *city-wide* arts education projects, including liaison with the national companies, the commissioning of multi-disciplinary work (as with Awarehaus Theatre Company), being lead officer for Aberdeen Children's Theatre at the Lemon Tree and other locations and arts promotions in schools. Furthermore, the Council continues, through the cultural services development, long-standing support of education projects through its grant-aid schemes, including its enabling of special needs groups, musicians and dancers in residence, and drama workers in schools.

Additionally, the work of City Moves (see above) is largely educational, and this agency offers an outreach programme in response to identified priorities in the urban regeneration of Aberdeen, where it offers classes designed to contribute to specific targets agreed with GNPP and the Scottish Office, with the education sector, and with its programme of dance classes offered in collaboration with a range of social agencies.

The consultants recommend that a formal education policy for the Music Hall and HMT be developed, leading to the appointment of an education officer, dedicated to programmes at the two council venues.²⁶

This post should be additional to the arts education officer, with whom the appointee would work. Plans for education and outreach will be judged SAC National Lottery as an important criteria in their assessment of the capital application for HMT and they are an important reason for building a rehearsal room at this theatre.

The essence of a venues' education policy will be to build audiences for the future and place the venues at the centre of a wider campaign to ensure that the arts are accessible to as many people as possible in Aberdeen - in accordance with the council's future arts strategy. This report includes, in Appendix 6, a sample education policy and programme for a touring theatre, which describes:

- The context of an education programme, in terms of the theatre's relationship with its partner organisations, and developments in education work locally and nationally.
- The structure and scope of a proposed Education Section at a touring theatre.
- Details of indicative education programmes, with quantified targets.
- A timetable for establishing an Education Section and programme.
- Suggested implications of the programme for capital and revenue expenditure, income and the use of resources.

²⁶ Venue education officers are employed by other touring theatres in Scotland: notably at the Festival City Theatres Trust, Edinburgh where a dedicated education officer works at the King's and Festival Theatres, at the Glasgow City Council where an education officer works on productions at the King's Theatre and Tramway and, in the case of drama workers, at the Eden Court Theatre, Inverness and the MacRobert in Stirling.

5. THE PRODUCERS AND PRESENTERS

This report is not primarily concerned with the producers and presenters of cultural activity within the City, but rather with the venues in which performing arts activity takes place. However, each of the venues requires 'product' - shows, workshops, etc. - and although in the previous section the report has examined the attractions at key venues, it is also appropriate to look more laterally at three areas of activity where shows, workshops, etc. are delivered to the venues. These are the festivals, the amateurs and, from outside Aberdeen, the National Companies.

5.1 THE FESTIVALS

This review has not focused to any great extent on the work of the various festivals in Aberdeen: a report on two of these festivals (the Aberdeen International Youth Festival and the Aberdeen Alternative Festival) was commissioned by the City Council in 1997, and it was felt unnecessary to duplicate or to re-examine the work undertaken at that time.

The festivals in the City - both the two identified above and others such as Rootin' About, the small scale French Film Festival and a children's/schools' theatre festival are important to the City in a variety of ways - not least in providing bookings, revenue and audiences for key venues within the City.

The commissioned report²⁷ sets out the history and performance of the two festivals in some detail, and makes a number of recommendations targeted at the festivals themselves and at the City Council. These are included as Appendix 9.

5.2 THE NATIONAL COMPANIES

Royal Scottish National orchestra will give ten concerts in Aberdeen in the current financial year, Scottish Chamber Orchestra five. Hitherto Scottish Opera performed for one week at HMT and Scottish Ballet twice per annum for one week. Additionally, BBC Scottish Symphony Orchestra (six concerts) and BT Scottish Ensemble perform in Aberdeen.

Aberdeen City Council give direct grants to the four Scottish national companies. In 1999-2000 these are:

Royal Scottish National Orchestra	11,500
Scottish Chamber Orchestra	2,200
Scottish Opera	4,400
Scottish Ballet	2,640
Total	£20,740

These grants are part of the council's overall projects grants budget to independent cultural organisations, which totals approximately £58,000. Each organisation considers that has a good relationship with the council and the venues' management. SAC subsidy to the four national companies is granted, partly, for performances in Aberdeen: their seasons therefore return Scottish taxpayers' money to the city. Each of the national companies considers that there is little direct relationship between the amount of the City Council's grant to them and the companies' cost of performing in Aberdeen. It is expensive for these Glasgow and Edinburgh-based companies to tour to Aberdeen. They are involved with CoSLA developing new models of working with

²⁷ Bonner Kennleyside, *Report on the AIYF and the AAF*, Burntisland, December 1997

local authorities in Scotland, in the hope of clarifying the funding mix between local authorities and SAC.

The companies, particularly Scottish Opera, are keen to develop new partnerships in Aberdeen beyond conventional touring (such as the current *Lovebites* project with the Lemon Tree), and are keen to contribute to the development of the Council's arts strategy.

The following additional points were put to the consultants by the Companies:

- The orchestras perform at the Music Hall on a hire contract. BBC Scottish Symphony Orchestra and the lyric companies at HMT are contracted on a box-office split. The consultants believe that these arrangements are satisfactory to all parties, although the RSNO chief executive submits that the Music Hall has "little incentive to market the concerts or assist in promotion of any kind.....[believing that the split arrangement for the BBC SSO] creates a partnership whereby the hall is a Company-promoter of the concerts".²⁸
- Scottish Opera relies on the oil industry for nightly sponsorship income in Aberdeen: these are sold at £8,000 to £10,000 per performance. Problems with the oil industry make future sponsorships insecure.
- Scottish Opera planning has been dislocated by the on-off closure periods for refurbishment at HMT. No party is to blame for this. This company works on a three planning cycle and the phasing of closure periods with Scottish Opera dates must, if at all possible, be adhered to. It is observed that, if more subsidy can be found, orthodox touring weeks (two productions in one week) will shift towards more visits of one production only (This "stagione" will, as in Edinburgh, offer advantages of spreading the company's profile and prevent a tendency for opera-goers to cherry-pick - as occurred when the popular repertoire of *Die Fledermaus* and *La Traviata* were staged back to back).

Technical issues pertaining to the concert platform, piano and pit are considered under the respective venues' sections.

- Additionally, however, the enlargement and mechanisation of a sunken orchestra pit at HMT is considered by Scottish Opera to be a refurbishment priority, for it would enable the full repertoire to tour to Aberdeen. The city missed out on their productions of *Tristan und Isolde* and *Der Rosenkavalier*. The pits at the Theatre Royal, Glasgow and Festival Theatre, Edinburgh can now accommodate up to 100 players. Scottish Opera have growing numbers of Friends in Aberdeen and Aberdeenshire who often travel to Glasgow or Edinburgh to see those productions not staged at HMT. Audience expectations have grown (through their visits elsewhere and from contemporary standards of recorded music) and it would not be in anyone's interests to compromise the musical experience at HMT by shoe-horning the orchestra and diluting the musical standards of the biggest productions.
- From the perspective of Scottish Ballet, who have encountered poor critical and audience reception in Aberdeen during their recent "interim" seasons without an artistic director, it is important that their visits are marketed as part of an HMT

²⁸ Source: Simon Crookall, Chief Executive, Royal Scottish National Orchestra, written submission to the consultants, 11 May 1999.

coherent dance and ballet policy. This should be easily accomplished, integrating with City Moves and The Lemon Tree's dance strategies.

- Scottish Opera Orchestra have considered whether to perform concerts at the Music Hall on their dark nights at HMT. This matter should be discussed again with the general manager, after consultation with the other orchestras.
- Scottish Opera is keen to investigate the possibility of staging a large site-specific performance in Aberdeen, such as a production at the Aberdeen Exhibition & Conference Centre. This would take five years to reach performance and might be a joint-commission with SECC, Glasgow. Large arena opera productions are now part of Scottish Opera's artistic vision and commercial policy, but they would need to secure new partners in Aberdeen, where this work could be seen as using the arts as a positive component of the city centre strategy.

5.3 AMATEUR ACTIVITY IN ABERDEEN

As noted earlier the study included consultation with representatives of the amateur performing groups in Aberdeen, as well as a review of data collected by from a simple questionnaire. The consultants also had access to data from the Tivoli Theatre Steering Group which is reproduced below with their permission.

The questionnaires were sent out to twenty-one local performing groups ranging from the Aberdeen Opera Company through the Ferryhill Players to Giz Giz and the Aberdeen International Youth Festival. Fifteen replies were received.

Excluding the Youth Festival, over 100 performances were given by these groups in the year to March 1999, with total audiences estimated at 20,860 - an average attendance of 202 people per event.

If the groups who did not reply to the questionnaire but who are included in the TTSC survey are added to the above data (and still excluding the Youth Festival), the figures become:

Table 13: Amateur Performances in Aberdeen

number of performances	total audiences	average attendance
129	37,091	287.50

The amateurs represent, from this evidence alone, a significant part of Aberdeen's cultural life, and their work is, of course, achieved entirely by voluntary effort: only one of the respondents (the Youth Festival) has staff, the remainder relying on their membership; this totalled some 1186 people including performers and stage crew.

The financial turnover of the societies varies enormously, from a few hundred pounds to almost £70,000. Income sources are principally box office and donations, though one group identified over £12,000 of sponsorship.

The survey of amateur groups also asked for details of venues performed in - and for comments on the suitability of the venues used.

The key venue used is the Arts Centre - it is, as one group put it, 'a vital venue' for amateur performers in the city. Because it is effectively run on behalf of the amateur

groups (its primary users) the Centre 'encourages the growth of a performing arts community in Aberdeen'.

The groups are not uncritical of the Arts Centre, citing problems with dressing rooms, the lack of a fly tower, some technical weaknesses, poor parking and pressure on the Centre's bookings diary.

For some groups, the Arts Centre is too small for the size of show and/or the size of anticipated audience, and it is these groups who, in the main, are championing the cause of the Tivoli Theatre. Only one group uses HMT - the Opera Group - though the recent decision to charge a hire fee (rather than the show being mounted on a shared box office basis) may force the group away from the Theatre. This issue about hire charges at HMT was also raised by the Youth Festival, though in fairness a number of the smaller societies also expressed anxiety at high charges for using the Arts Centre.

A number of other venues are used by amateur groups; these include:

- schools premises and community centres, which though regarded as useful venues (particularly because of parking availability) were not felt to be ideal - poor technical provision, large windows which are difficult to 'black out', inadequate access for wheel-chairs (stage and auditorium), etc.
- Mitchell Hall, described as good for music and choral events, but with a very limited stage and poor technical facilities
- Inverurie Town Hall, which for most performances has too steep a rake
- the Music Hall, which was generally well regarded
- churches, with the attendant problems of flat floors, restricted views and the absence of technical facilities

Given the average audience size identified, it must remain the case that many of the amateurs would need, economically, to continue to use the Arts Centre, even if the Tivoli became available; this view was put to the consultants forcefully at the consultation meeting held with them.

6. THE MARKET FOR THE PERFORMING ARTS IN ABERDEEN

The report has already noted the demographic structure of the City and its catchment area and also looked at the current tourism profile of the wider Grampian region (section 3 above).

In this section, we look at other aspects related to the actual and potential market for the arts in the City.

6.1 GEOGRAPHICAL CATCHMENT

Research from various sources regarding distances travelled for work or theatre visits suggests that not only can the standard 30 minute catchment be relied upon as the core catchment but may be wider than this.

Research by Aberdeen City Council reveals that the 'Travel to Work Area' (the distance from which people travel into the City to work) is far wider than the city itself. This suggests a willingness to travel which means that arts organisations should be able to draw from a wide catchment.

Research undertaken for Aberdeen Music Hall (undated) reveals that 65% of the audience come from the city of Aberdeen itself, 23% from the wider 30 minute catchment and 12% from further afield.

Recent research for His Majesty's Theatre suggests that the theatre is attracting a higher than average number of people from rural areas, again indicating a willingness by people within the population catchment to travel²⁹.

The estimate for the Aberdeen 30-minute drive-time population is as follows:

Table 14: Aberdeen 30-minute Drive-Time Catchment Area showing comparisons with other Cities³⁰

Location	Population 30 minutes
Aberdeen	224,042
Dundee	218,014
York	221,888
Peterborough	221,494
Canterbury	215,578
Ipswich	239,367
Cambridge	264,681

Potential Attenders

Dovetailing the CACI information and information obtained from Target Group Index, it is possible to arrive at an estimate of the number of potential audience for particular kinds of cultural activity.

The results of this analysis are set out in the following table:

Table 15: Potential Annual Adult Attenders and Attendances

²⁹ See *Final Report to HMT: Audience Awareness Study* Scotinform Ltd., January 1996

³⁰ CACI/Acorn Estimates Based on the 1991 Census and updated to June 1995 after taking account of births, deaths, migration and changes to postal code boundaries

Artform	Population Attending	Area Index	Potential Attenders	Potential Attendances
Plays	24%	122	42,509	96,155
Ballet	8%	129	14184	19186
Opera	9%	131	15941	25777
Contemporary Dance	4%	123	7805	8803
Classical Music	13%	131	23026	51129
Jazz	6%	127	10616	18326
Theatre	39%	118	69077	159671

These figures show potential attenders and attendances within a 30 minute drive time of Aberdeen. The CACI quoted population figure for Aberdeen is 224,000 compared to an estimated population in Aberdeen itself of 216,000. As these population estimates are so close and we have some indication that attenders are willing to travel, we have used the 30 minute drive time population figure.

The number of potential attendances is derived from the percentage of the adult population who, according to TGI research, are likely to attend a particular artform ('population attending') which gives the number of 'potential attenders'. This is then multiplied by the given frequency of attendance for that particular artform, to give the number of potential attendances (visits) which might be made.

The proportion of the population attending, together with the number of potential attenders and attendances has been analysed against a UK average (an index of 100) to provide an Aberdeen index of potential attendances. These indices, as Table 2 earlier in the Report and Table 14 above, are all positive and some are significantly high. Theatre, for example, shows an index of 118, and, specifically, 122 for plays; classical music and opera show an index of 131.

6.2 PROVISION IN ABERDEEN AS COMPARED TO OTHER CITIES

A strict comparison of provision in the performing arts across a range of different cities has its weaknesses, particularly when it is based on 'plant' available to the performing arts, rather than to actual activity. However, in the context of the current study, and in particular in the context of future Lottery bids, such an examination has its value in indicating whether the City is, by comparison with others, more or less well provided for.

The consultants have therefore prepared the following table (table 16) to enable such comparisons to be made. The table sets out the number of seats available in a number of UK cities which have large scale theatres (such as His Majesty's), and compares the number of seats with the potential attendance within each city's 30 minute drive-time catchment area. The figures for Aberdeen have been recorded on the basis of present numbers of seats in established and regularly programmed cultural venues (see line 1 of the table below) as well as on the basis of adding in the Tivoli Theatre (line 2).

Table 16: Provision of Seats in Performing Arts Venues across the UK

Town	Adult Pop 30 minute drive-time	Potential theatre attenders	No. theatre seats	No. seats per theatre attender	No. attenders per seat
Aberdeen (ex Tivoli)	224,042	69,077	3,736	0.054	18.48
Aberdeen (inc Tivoli)	224,042	69,077	4,336	0.063	15.93
Glasgow	1,274,513	402,907	5,838	0.015	69.01
Edinburgh	571,953	217,781	7,519	0.035	28.96
Manchester	2,348,025	798,530	8,511	0.011	93.82
Birmingham	2,332,274	730,344	5,955	0.008	122.64
Wolverhampton	1,741,927	537,527	5,955	0.011	90.26
Leeds	1,481,166	475,916	4,660	0.010	102.13
Liverpool	1,428,914	450,057	5,018	0.011	89.69
Bradford	1,332,382	428,412	6,245	0.015	68.60
Glasgow	1,274,513	402,907	5,838	0.015	69.01
Newcastle	1,162,674	369,369	6,350	0.017	58.17
Sheffield	994,046	313,231	2,543	0.008	123.17
Sunderland	828,464	254,350	5,244	0.021	48.50
Nottingham	795,640	271,126	1,952	0.007	138.90
Bristol	724,512	301,215	3,522	0.018	85.52
Southampton	615,170	237,668	3,200	0.014	74.27
Edinburgh	571,953	217,781	7,519	0.035	28.96
Bath	571,168	233,106	3,522	0.015	66.19
Cardiff	535,794	191,609	1,996	0.010	96.00
Brighton	378,768	162,098	1,433	0.009	113.12
Hull	315,227	100,974	1,500	0.015	67.32
Swansea	310,990	103,091	1,019	0.010	101.17
Plymouth	260,608	102,789	1,496	0.015	68.71
Norwich	234,650	96,287	1,638	0.017	58.78
York	189,650	69,284	1,895	0.027	36.56
Lowest					
Nottingham	79,640	271,126	1,952	0.007	138.90
Highest					
Edinburgh	571,953	217,781	7,519	0.035	28.96

The number of seats for Aberdeen was calculated on the basis of the following table:

Table 17: Venues included in Aberdeen analysis in Table 15

Theatre	No. of Seats
Aberdeen	
His Majesty's Theatre	1456
Music Hall	1280
Cowdray Hall	300
Arts Centre	350
Lemon Tree	350
Tivoli	600
Total (inc Tivoli)	4336
Total (ex Tivoli)	3736

The analysis shows that, comparatively, Aberdeen has a higher number of seats per theatre attender and consequently a low number of attenders per seat: in other words, on the basis of this comparison, **Aberdeen is currently over-supplied with seats.**

6.3 MARKETING : KEY ISSUES

Lack of Strategic Marketing Focus or Marketing Strategy

There is little evidence to date of a formal marketing strategy within the Council's own venues which might address the Council's 'Guiding Principles'; this lack reflects, in part, the absence of an overall cultural policy which would address such issues.

As already noted, however, the Service Plan recognises some of the existing marketing weaknesses and has set targets to address these:

- improving the efficiency of the box office
- carrying out surveys and market research

The strategic point regarding these two issues is the need to know more about current markets and attendance patterns in order to be able to identify potential for increase in attendance from within the current market and to be able to identify the development potential.

Limited Knowledge of Current Markets

Knowledge of current markets, apart from analysis of total ticket sales, is extremely limited which significantly hampers the consultants' ability to estimate the extent of the potentially untapped market with any degree of accuracy. However, the consultants have attempted to demonstrate this in the table which appears as Appendix 7. This details attendances by artform at HMT and Music Hall; it has not been possible to access similar data for Cowdray Hall, Aberdeen Arts Centre nor for Lemon Tree (in the last case simply because their box office system is too new).

Where data on the potential market exists, an estimate of the current share of the market achieved by HMT and Music Hall has been extrapolated. This shows, for example, that the market share (proportion of all possible attendances) being achieved by HMT and Music Hall is:

Classical concerts	54%
Contemporary dance	24%
Ballet	75%
Folk & Jazz	62%
Opera	15%
Drama	22%.

The figures would however appear to suggest that there is development potential.

However, there are several key factors which mean that the consultants are reluctant to predict with certainty the extent of a potentially untapped market:

- lack of a cultural policy
- extremely limited knowledge of current and potential markets
- lack of any strategic approach to audience development
- lack of strategic marketing focus or collaborative approach to marketing.

The implications of this analysis are considered later in the report together with the consultants' recommendations.

7. GOVERNANCE OF THE CITY COUNCIL RUN VENUES

This section of the Report discusses the options for governing the venues. It is not concerned with the operational day to day management of the individual venues, but rather with the legal or quasi-legal structures which sit above the operational staff, and which, ultimately, hold responsibility for the activity which takes place within the buildings.

Theatres are by their very nature, creative. They are also entrepreneurial and, increasingly, need to work in new partnerships with a range of agencies. Two key areas are addressed by theatre management:

- Artistic decisions about the choice of attraction, performances and the physical setting occupy the *foreground*.
- The *background* is concerned with the social and financial context in which the venues operate as institutions in partnership with many agencies.

Although the consultants are concerned with non-artistic conventions, there is, of course, a middle ground where the two areas meet. This is especially true at the Music Hall and at HMT, where the general manager has to find a successful and continuous programme of concerts, light entertainment, drama, dance, ballet, musicals, opera and amateur-community productions. Audience tastes will change, and a stable audience may become a highly vocal public, bored with the same experiences.

Thus, even successful venues like the Music Hall and HMT must change their diet of companies from time to time. Prosperity is never assured: venues' fortunes are subject to change without notice. It is the box-office which is the principal factor in assessing management success. The critical element in theatre management is, therefore, an understanding of the nature of the community of which the venues are part, coupled with the ability to create an environment conducive to enabling artists to reach their full expression. The venues therefore need to be managed by a creative producer-manager.

The venues are an intrinsic part of the Aberdeen community. They serve a wide diversity of population, both geographically and socially. They are irrevocably intertwined with the council's cultural and social development of the city, whether by the straightforward staging of public performances or, in future, through enhanced education programmes. They are places of social gathering and of community learning. All of this explains the considerable community interest in their affairs. The value of the venues should not be underestimated. Of course, the Music Hall/HMT venues will not deliver the whole of the council's future cultural strategy: they are components within the delivery mechanisms and policy, and inter-relate with the Lemon Tree, Aberdeen Arts Centre and the other council priorities for the arts.

Running the venues is, therefore, unlike almost any other service provided by the local authority. Some of those differences are practical, whilst others relate to differences in organisational ethos.

In looking at the management of the venues, the consultants have had in their minds that the search for appropriate structures needs, above all, to be considered in the context of the above analysis. The consultants have also considered the underlying principles of Best Value and the need to inculcate a new culture of *incentive*. This is not to suggest that overbearing pressures of targets and benchmarking should be introduced on the creative environment of the venues, for managerialism is as often

in conflict with the nature of the theatres' and concert halls' artistic roles and responsibilities as can be the existing practices of local government.

The need is to find a management structure which *firstly* supports the venue managers (whose job is to facilitate the exchange of imaginative theatrical and musical experiences between artists and the public) and *secondly* one which concerns itself with financial and market performance (audience development).

The consultants observe that there are a number of pre-conditions without which the operational staff will be unable to run the venues to the highest *artistic* standards, whilst ensuring that the Council receives the maximum benefit from its substantial investment.

There is a **range of possible corporate structures** for the governance of the venues:

- **Leasing to a commercial operator**
- **Trust management**
- **Aberdeen City Council direct management**

Examples of well-run and successful venues can be found in each category in Britain and abroad. Each has a range of potential advantages and disadvantages and the quality of the key staff (especially the general manager) and board or committee members is likely to be as influential in determining success as any of the other factors. The following notes attempt to debate the relative merits of these options.

Each of the options presented is predicated on one key assumption, namely that the future of the Music Hall, of HMT and of the Box Office are inextricably linked. The consultants have considered whether, on any of the options considered, there would be advantages in separating HMT from the Music Hall: they have found none. Their conclusion (and recommendation to the Council, therefore) is that the advantages of joint management of the two venues taken together - with the Box Office as the 'servant' of both - are overwhelming; joint operation

- encourages the joint programming of events and activities across the two venues
- ensures that the approach to marketing, and the costs of marketing, can be kept coherent across the programmes of both venues
- ensures that programming of agreed events and attractions can be located in the most appropriate venue
- offers continuity to the existing arrangements

The consultants have also considered the *locus* for the management of Cowdray Hall: although their first response was to suggest that the hall be managed by the Art Gallery (within whose 'footprint' the venue sits), it is clear that the present management arrangements work perfectly well in practice, and that the particular nature of the Hall - particularly its suitability for chamber music - suggest that it should properly continue to be part of the joint management of Music Hall, HMT and Box Office discussed above.

7.1 OPTION ONE: LEASING THE VENUES TO A COMMERCIAL OPERATOR

The option of *selling* the freehold of the either or both the Music Hall and HMT is an unlikely prospect: the only instances of private ownership of theatres outside London are the Palace Theatre and Opera House Manchester, acquired by Apollo Leisure in

1990 from Manchester Theatres Limited. These are two 1900 seat lyric theatres housing long runs of commercial musicals and regular visits from the subsidised lyric companies. The Pavilion Theatre, Glasgow (1449 seats) is in private ownership and operation. The consultants discount a change of ownership of the Aberdeen venues.

However, the option of *leasing* the venues to a commercial operating company is a possible alternative management arrangement, with council retaining the freeholds. The council could set certain conditions in a carefully defined agreement, in order to maintain programming mix and, especially, to retain the seasons given by the four Scottish National companies and amateur societies. It is unlikely that any commercial company could be persuaded to run the venues without this subsidy and the council would, in all likelihood, need to provide further programme grants to enable less commercial attractions and any future education programmes to be scheduled.

The *leasing* approach could be applied to both the Music Hall and HMT, with an agreement broadly similar to that achieved through council's tendering process for the new Belmont Media Centre and Cinema. This kind of operation is, from the council's perspective, similar in certain ways to a Trust operation: many of the advantages and disadvantages of Trust operation discussed below would be the same. It would ensure an arms-length relationship and limit the council's financial exposure as the banker of last resort. The concept of exposing a local authority owned theatre to tendering is a relatively new phenomenon. The question of *compulsory* competitive tendering was examined by the central UK Government in the early 1990s: in the end arts management was not included, but the proposal provoked a high level of debate. Overall, theatres were not seen as susceptible to CCT or buy-outs, unlike refuse collection, catering for schools, ground maintenance, sport and leisure management.

The **advantages** of a commercially operated Music Hall/HMT/Box Office are:

- ***It might enable the venues, especially HMT, to secure attractions which would not otherwise visit Aberdeen.*** Provincial commercial operators such as Apollo Leisure and Ambassador Theatre Group are also producers, creating work for their circuits which, although sometimes available to HMT, is offered at expensive guaranteed fees. They work with producing partners, such as the Theatre Royal, Plymouth, the Mayflower Theatre, Southampton and PACE in North America, to create big productions for the circuit of No 1 touring theatres. They collaborate with the commercial *and* subsidised theatre spheres. From their perspective, critical mass makes it easier to operate a venue and generates momentum in planning and marketing.
- ***It would anchor the venues to the national touring circuit.*** This arrangement of ensuring the availability and choice of more attractions is similar to the advantages enjoyed when the council purchased HMT in 1975: Howard and Wyndham, as booker, continued to find the shows until they closed down in 1977.
- ***It could bring an established management to Aberdeen with an integrated programming and facility expertise.*** Such a company's existing administrative systems, useful industry contacts and potential economies of scale could benefit the council. It could have reduced senior management costs, through sharing with existing management at their head office. Commercial operators are good at *selling* theatre. They are successful without creating more layers of management and bureaucracy: group management techniques could benefit the Aberdeen venues.

- ***It could offer lower grant-aid requirements from the council than either direct or trust management.*** This might free-up money for other arts activities funded by the council.
- ***It would be possible to negotiate a contract which secured current jobs; at least in the short term.*** There would probably be job security for current post-holders for a time depending on the commercial management's staff structure, because of TUPE legislation.
- ***It is likely to bring a determined, business-like approach to minimising costs.*** A commercial management is likely to be better equipped to take financial risk on guaranteed fees and managing a "trading business" like a theatre or concert hall.
- ***Council programming grants could be offered across both venues, allowing cross subsidy as with the Trust option.***
- ***The process of testing the market for a commercial operator might have the benefit of providing a stimulus to the existing management to lift or maintain their performance.*** It could also provide a strong motivation to achieve value for money. However, the consultants have emphasised that the Music Hall/HMT are already concentrating on their mission, and achieve healthy attendance with a lower subsidy level than in many comparable venues. There are no major financial problems to sort out.

The ***disadvantages*** of a commercially operated Music Hall/HMT/Box Office are:

- ***There is a small "market" of appropriate commercial operators.*** These are, principally, Apollo Leisure plc³¹ and the Ambassador Theatre Group³² and Hetherington Seelig.³³ Stoll Moss Theatres Limited, formerly a provincial operator, is now solely a London West theatre management. There are a number of new managements emerging for the commercial management of *middle*-scale theatres, but these small venues could be said to have experienced problems of varying nature and degree.³⁴ The consultants know of no British venue being tendered to an *in-house* team comprising the existing staff, although there are examples of such theatres in Canada and Australia.
- ***After negotiating programming targets, the council would only have a marginal influence on touring attractions coming to the Music Hall/HMT.*** The

³¹ Apollo Leisure Group plc owns or manages twenty-five theatres, often in partnership with local authorities. It has additional independent ticketing, cinema, sport and recreation businesses. When founded in 1977, it set its ambition against what seemed an inexorable decline in touring theatres and it has become the new colossus of the No 1 circuit: it is now the second biggest theatre group in the world.

³² Ambassador Theatre Group manages an analogous hall and touring theatre combination: the new Victoria Concert Hall and the new Regent Theatre in Stoke on Trent, for the local authority. It also manages the new Milton Keynes Theatre (and acted as an executive client for the reconstruction or construction of all three venues) and is developing the King's Theatre, Portsmouth. Its "flagship" is the 1338 seat Peacock Theatre in Woking.

³³ Hetherington Seelig operates the Swan Theatre (1076 seats) and Town Hall (a concert hall) in High Wycombe.

³⁴ As at the Palace Theatre, Westcliff-on-Sea, Essex where Southend Borough Council has put the management of this former repertory theatre out to private sector tender. The 600 seat Forum Theatre, Billingham, is in its second year of commercial management by a Teeside company: Riverside Leisure Limited.

operator might aim only for the minimum targets in programming and the council would therefore have to strike a balance between economic rationalism and its arts agenda. Simply to define the venues as “businesses” would not be sufficient to form the basis of a decision to tender them in the market place. Artistically there is a danger that drama might not be given its current priority at HMT. The venue might lose its SAC Stage One subsidy.

- ***A commercial operator might not give priority to cultivating relationships with community-based, amateur and local arts organisations.*** These have been critical to the past success of the venues and council will want these to be a future cornerstone of policy. Reaction to local criticism and demand may be slow.
- ***A commercial operator might not devote time, money and energy to immediately unprofitable activities such as education, social inclusion projects and access.*** It would be difficult for the Council to ensure that the activities of a commercial operator were wedded to the future cultural strategy.
- ***Commercial operators are all head-quartered in the south-east of England.*** Only one possible contender, Apollo Leisure, has a venue in Scotland - the 3056 seat Edinburgh Playhouse. They have limited knowledge and experience of Scotland. Travel between the head-office and Aberdeen will be expensive and time-consuming. The consultants were informed by Ambassador Theatre Group that this factor would probably influence ATG against an interest in managing Aberdeen venues. Although the Aberdeen venues are part of a UK-wide touring infrastructure, the programming advantages of working with other venues may be better accomplished through initiatives such as Company-productions with the council and trust managed concert halls and touring theatres in Edinburgh and Glasgow.
- ***Operators have little experience of the commercial operation of a concert hall.*** The new Bridgewater Hall, Manchester is managed by Ogdens³⁵ in partnership with the Hallé Orchestra (Hallogen Limited) and Ambassador Theatre Group manage the new hall in Stoke. All other British concert halls are managed by councils or trusts. An option might be for the Music Hall to be managed under the council/trust scenario, with HMT being run by a commercial operator, but this would lead to the set-up of two box-office operations and could create unnecessary programme clashes and competition between the venues.
- ***Lottery.*** The relationship of commercially managed theatres to the Lottery has not yet been an issue for SAC, but in England the ACE have made capital grants to the Empire Theatre, Liverpool and to the Milton Keynes Theatre - both commercially operated.³⁶ The Lottery would need to be satisfied that the terms of the management contract provide for proper compliance by the theatre’s management with lottery conditions imposed on the owner or lessee, and that the council’s role and relationship to the commercial operator is sufficiently rigorous to ensure that conditions are in practice met - especially the booking of subsidised companies and the quality of education work.
- ***Private sector donations and individual giving would be harder to secure if the venues are managed by a commercial operator.***

³⁵ This is a North American facilities management company specialising in the management of large-scale arenas. Manchester Bridgewater Hall is their only “arts” venue in the United Kingdom - they also operate the Telewest Newcastle Arena.

³⁶ See *National Lottery: Commercially owned theatres, additional guidance*, Arts Council of England, London, 1996.

- ***The effect of this option on the Lemon Tree and Aberdeen Arts Centre must be considered and it may be a disadvantage to them.*** Venue-wide issues such as the guaranteed access of the festivals to all spaces, possible city-wide collaborations in education projects etc.
- ***The option is complex to negotiate: the arrangement may be hard to “sell” politically, even if it is made on a time-limited basis with review points built-in.*** It would be prudent to wait for a council assessment of the operational outcomes from the Belmont Media Centre and Cinema lease before negotiating a second council lease to an arts venue.

7.2 OPTION TWO: A NON PROFIT DISTRIBUTING COMPANY LIMITED BY GUARANTEE (A TRUST)

EITHER: A COUNCIL “CONTROLLED” TRUST

A Board of Directors could be created from the elected members of council, with a minority of, or even no non-local authority board members. However, the council would not have limited liability. The consultants suggest that it is unclear exactly what such a constitution would achieve in trading terms that the directly managed venues do not achieve already.³⁷

OR: A COUNCIL “INFLUENCED” TRUST

A high-profile and effective Board of Directors would undertake management and control of a grant-aided new company, delegating authority to the General Manager. Twelve Directors would be sufficient for an effective Board.³⁸ A larger Board could be more “representative” but the shift in public sector attitudes means that there is not so much call for representation and other forms of accountability are preferred. A compact - and involved - Board can more effectively discharge its financial responsibilities. The *ex-officio directors* (appointed nominees) should be in a minority. They tend to think of themselves (properly) as the representatives of other interests and can dilute the integrated business purpose of the Board. The balance of Trust autonomy and council influence is delicate. The areas for representation might include:

- Aberdeen City Council
- Grampian Enterprise Limited
- Aberdeen University or Robert Gordon University
- The Theatre Club/Friends of HMT

As for other Board members, the consultants would suggest looking for people with relevant skills, experience and knowledge of the performed arts. Appropriate areas might include:

- music and the theatre

³⁷ Sunderland Empire Theatre Trust Limited was the first council controlled theatre trust, established in 1960 for the operation of the 1850 seat touring house.

³⁸ Practical suggestions for the operation of a Trust operation’s Board of Directors in contained in Timothy Pascoe and Paul Pia, *Care, Diligence and Skill: A Handbook for the governing bodies of arts organisations*, Scottish Arts Council, Edinburgh, 1995. See also Crispin Raymond, *Once More With Feeling*, Arts Council of England, London, (forthcoming) 1999 and, for effective corporate governance in relation to The Cadbury Report, Peter King, *Effective Business Control: a guide for directors*, Coopers and Lybrand, London, 1993.

- architecture
- marketing
- law
- finance
- the media
- retailing and catering

It would be important for some Directors to be drawn from the artistic community, whether amateur, professional or academic.

The **advantages** of a Trust managed Music Hall/HMT/Box Office are:

- **Theatrical Management Flexibility.** The venues (and the Box Office) would be able to operate more entrepreneurially.
- **Better advice to and accountability from management.** A dedicated board would provide policy and programme advice and comment to the general manager and his senior management team; be a sounding-board for discussion of operational issues; represent the stakeholders (including artists and the performing arts business) in the context of the overall life of the venues; assist in strategic planning and fund-raising. Many of these aspects are not currently undertaken.
- **Extra Grant-aid.** The venues might find it easier, as a charitable trust, to attract sponsorship, individual giving including deeds of covenant, partnership capital donations for Lottery refurbishments and other sources of gifts. This would be especially useful for the refurbishment of HMT and the creation of a rehearsal room and corporate hospitality suites.
- **Future role as a Producer.** It would be easier to trade in ways that are currently difficult for the council-run venues to do within the law: such as becoming a co-producer with other touring theatres and concert halls or as a “creative producer” with managements such as The Musicals Alliance, The Touring Consortium and the Aberdeen festivals.
- **Defined financial liability to Aberdeen City Council through an arms-length intermediary.** An annual grant would be the limit of Aberdeen City Council financial involvement in running costs. If the venues made a deficit or surplus in any one year this would be their cumulative problem or benefit. By applying council grant-aid between the Music Hall and HMT, a new Trust could cross-subsidise - offering profitable attractions or periods in one venue to be set against poorer attraction periods in the other venue.
- **Constitutional equality with other Aberdeen venues.** If the Music Hall/HMT are to be managed by a non-profit distributing company (Trust) they would be constitutionally equal to the Lemon Tree and Aberdeen Arts Centre, thus making it easier for the Council, as an independent third party, to decide on grant priorities. The council’s twin roles as manager and grantor would no longer be perceived as ambiguous by the voluntary Aberdeen arts sector: the work of the Arts and Recreation Department would be less weighted towards venue management and could concentrate more on grants for “art”. There would thus be no question of a conflict of interest in the council’s role.

- **More identifiable use of council subsidy.** For the most part, the council subsidy of the venues, as general revenue deficit funding, is based on the gap between their earned income and their expenditure, whereas Scottish Arts Council subsidies (Stage One touring grants) are for specific artistic purposes. Grants to a new Trust could be used for the provision of identifiable services which could be targeted in advance. The council would monitor and assess a new Trust through a funding agreement.
- **Central management.** Programming, marketing and finance would be centrally managed by one organisation, creating a strong flexible organisation able to operate in the marketplace.
- **Potentially lower wage costs and the flexibility to create a staff team customised to the needs of the venues.** A BECTU negotiated house agreement may offer more flexible employee arrangements than UNISON and BECTU, although it is arguable that a local authority grant-aided theatre staff should not morally receive pay and conditions lower than those enjoyed by council employees.
- **Ability to access specialist expertise in retail, catering and commercial theatre skills.**
- **A Trust would attract council-tax/rate relief as a registered charity.**
- **Confines Aberdeen City Council officer time to grant conditions-compliance and monitoring of financial progress.**

The *disadvantages* of a Trust managed operation are:

- **The Board of Directors.** An independent operation would need to recruit a high-profile Board of Directors. This will take time. The non-elected Directors (including, ideally, the Chair) would need to be recruited from individuals not already connected with other venues, festivals and voluntary arts organisations. The consultants note that, in Aberdeen, other Council influenced or controlled trusts' chairs are councillors and the consultants recommend that consideration is given to the identification of an independent chair if the Music Hall/HMT is to be run by a Trust.
- **Financial exposure of the venues.** The current civic operation protects the Music Hall/HMT from the risks and vagaries the business. This protection from the risk of insolvency would disappear. A Trust would have to manage its cash-flow and there would be periods when this could dominate the management thinking.
- **Loss of local authority support-in-kind.** The venues would no longer receive the advantages of operating in the broader sphere of a local authority: they presently benefit from considerable assistance from the city architect, publicity graphics, accountancy, book-keeping, buildings maintenance. Although these "federal" services might still be provided, their costs (which are worth approximately £195,000 in 1999/2000: See Table 3) would need to be re-negotiated and might lead to increased charges against the grant-aid. Without the close involvement of the council, the venues might become lower priorities: future adoption of a cultural strategy which includes defined council role in relation the venues would offer protection.

- **Grant-aid.** The venues would operate with an agreed subsidy from the council but they might accumulate deficits. It is unlikely that significant savings could be made: the venues are, in the main, well-run and operate on grant levels lower than many comparable touring theatres and concert halls in other cities. (See Appendix 8, where in the year ending 31 March 1998, 15 touring theatres received an average local authority subsidy of £475,070 against HMT's subvention of £91,200).
- **Change management.** The venues would need to undertake a costly and time-consuming process of reorganisation, including legal costs of incorporation, the recruitment (partly by advertising) of high-calibre honorary Directors, new staff arrangements (with possible redundancies and associated staff insecurity), establishing new communication-lines and accountability from the Trust to the Arts and Recreation Department and, further, the marketing costs associated with the creation of the new identity. The establishment of a trading subsidiary for catering and merchandise activity would also cost money. The duration and cost of these changes may not result in quick benefits. The consultants observe, however, that the Scottish Arts Council National Lottery "Advancement" scheme is appropriate for arts organisations which are undergoing restructuring in order to become better managed; a Trust-in-formation would be eligible to apply. Directors of a new Trust company would need to begin their stewardship with a clean balance sheet.
- **A Trust may develop different priorities from the council, leading to tensions.** The council has an established track record of running the venues within budget. Many of the advantages and disadvantages of a new Trust would be the same as for the existing council-run management. A new Trust would, inevitably, bring unidentified financial or organisational problems. Conflicts of interest for councillor-Directors (specifically under the Companies' Acts) may be a recurrent problem for the independent-Directors and general manager.
- **Capital expenditure.** With each option for future governance, the need for building maintenance - and significant capital expenditure at HMT - is important. Trust status, even with council retaining ownership of the freeholds, might lead to a reduction in Council commitment to the buildings: it is no exaggeration to say that the venues would not thrive today without the historical commitment of the local authority: in capital and operations. The building infrastructure and the activities therein are different elements in theatrical management but one is quite as important as the other. Neither can succeed without the other and the two strands will always require separate subsidies.

7.3 OPTION THREE: A NEW CLIMATE WITHIN COUNCIL MANAGEMENT

The third option considered by the consultants is based on the prospect of retaining the venues within the management of the Council, but allowing them the opportunity to develop a more entrepreneurial approach - in effect becoming a free-standing business unit within the local authority.

Continuity of direct council management of the venues offers many of the advantages of Trust management, with the important *additional* advantages of:

- **Minimum disruption**
- **Protecting them from the risk of insolvency if run by a Trust and ensuring that cash-flow does not pose difficulties**

- ***Offering an opportunity for the important HMT Lottery application to proceed***
- ***Offering the best chance for the venues to continue to be run on their relative low subsidy levels***
- ***Council would be best placed to enact its new cultural policies if it retains management of the venues***

Although many of the working methods and advantages peculiar to a Trust operation could be harnessed to the existing civic structure, to achieve this the venues' staff need to operate in a more independent manner.

The consultants believe that, although this option suggests that principle to be applied is *"if it ain't broke, don't fix it"*, many recommendations for improvement *have* been identified.

Above all, the venues would, in this *enhanced* civic management option, be allowed to operate in a manner more consistent with entrepreneurial and business-like theatrical practice. This requires an operation with a higher degree of venue autonomy, reciprocating these delegations by new reporting methods from the general manager to the Director of Arts and Recreation and to elected Members. The development of a business unit would be predicated on the need for the venue to operate in as business like a way as possible, managing its own operations efficiently and effectively, and with maximum incentive - but always within the broad policies appropriately laid down by the City Council itself.

8. CONCLUSIONS AND RECOMMENDATIONS

This section of the report sets out the main conclusions and recommendations arising from the study, other than those concerned with Governance of the Council run venues which are included within the previous section.

8.1 REVIEW OF ISSUES

For a city of its size, Aberdeen is fortunate in having a range of venues of different audience capacity, which serve identified community need (as defined by audience response). For each of these current venues the immediate future holds a number of challenges, and these are discussed below. In addition, there is the added complexity of a potential new theatre, The Tivoli.

Both Aberdeen City Council and Scottish Arts Council (the latter in the particular context of Lottery) face difficult choices about “which horses to back”; the situation with regard to Lottery is particularly complex because other non-performing arts Lottery applications from within the City are also at the planning stage. In the context of currently available Lottery finance all applications from the City will need to be prioritised, both locally and by SAC.

In determining priorities, both ACC and SAC would normally be influenced by an agreed cultural strategy which would include a Capital Strategy designed to achieve the objectives of the broader policy for culture and the arts. The report has already noted that such a cultural strategy is not yet in place in Aberdeen and it may be that once the strategy is in place other priorities may arise. **The Report has already noted the crucial importance of such a strategy being in place.**

One issue which the strategy will certainly wish to address is the reality that, by comparison with Glasgow, Edinburgh and Dundee, Aberdeen’s performing arts ecology is dominated by tours into the City. There are no resident professional ensembles other than the small Awarehaus Theatre Company and the Ysdragill Quartet, although Lemon Tree Arts Centre is, conspicuously, a creative promoter, as is City Moves Dance Base. For a city of this size, this represents a low-level of home-grown performance and is an obstacle to the emergence of a more creative community in the performing arts, capable of contributing a broad-ranging and vibrant element to the programme mix at the large venues.

8.1.1 HIS MAJESTY’S THEATRE

HMT is a vitally important theatre, both in the context of serving audiences from the whole of North East Scotland and also as part of the network of No.1 touring theatres in the United Kingdom. As we have noted elsewhere, its programme mix is eclectic, reflecting the desire of the City Council that it should seek to serve a broad range of audiences. It also performs its tasks with considerable success, in most respects. However, there are issues of:

- The theatre is in need of capital investment and an application to SAC National Lottery is currently in preparation. This may include a rehearsal room (capable also of being used for education work), a studio, restaurant, improved access to the whole theatre, a new foyer and a range of upgrades to public facilities including toilets, bars and hospitality areas. As the City’s prime venue for the performing arts, and in the context of its role in receiving two Scottish national companies - Scottish Opera and Scottish Ballet - improvements to this theatre must be the City Council and SAC’s priority.

- The City Council faces a major challenge in meeting the partnership funding which will be required to ensure the drawdown of Lottery money. Although, technically Lottery requires scheme promoters to raise 25% in partnership funding, applications which show a higher percentage inevitably have a greater chance of success.

Management and Production Issues

The consultants make the following recommendations with regard to production issues:

- ***The consultants recommend that, in future, a new system of monitoring future risk be established.*** This might take the form of a small risk committee who would examine box-office forecasts and potential for each production proposed by the general manager where he needs to contract it on a guarantee exceeding, perhaps, £35,000 in one week. A decision to define the general manager's delegations on production contracts would protect all concerned.
- ***The consultants emphasise that the subject of deals is foundational to success: they recommend that the theatre should be aiming to retain approximately 24% of receipts and, further, that the "margin retained" (allied to a new calculation of the true weekly overhead costs of running the theatre) be employed as a key performance indicator.***
- ***The consultants recommend that HMT set new targets for the programming mix which it wants to achieve,*** based on discussion of the artform categories and ratios in the preceding tables. In particular, the policy and results for ballet and contemporary dance requires articulation and a strategic marketing and educational drive, perhaps in association with the dance agency, City Moves.
- ***The consultants recommend that HMT establish closer links with producers and companies.*** HMT is currently an associate member of The Touring Consortium. It should now consider membership of The Musicals Alliance; leading occasional theatre-as-producer partnerships- with the King's Theatre and Theatre Royal, Glasgow and the King's and Festival Theatres in Edinburgh - to formalise and strengthen the "buying power" of the Scottish circuit of No 1 touring theatres and, further, collaborate with Scottish Opera, AECC and other partners on site specific projects such as an arena opera. A small investment budget might be set up.
- ***Catering*** revenue provides substantial profit in most theatres. ***The consultants recommend that a catering audit of HMT and the Music Hall is undertaken as a background to the Lottery application and to identify the potential for new approaches to catering provision, which will not only better serve theatregoer needs but also contribute bigger profits to the business*** (see also below under Music Hall).
- ***Amateurs.*** HMT provides a home for a small number of the largest amateur companies in Aberdeen, such as Aberdeen Opera Group. Recently, the deal with these companies has changed to a direct rental, placing extra risk on the companies. ***The consultants recommend that the general manager should review these arrangements in order to secure the future presence of such productions at HMT.***

- **Education.** HMT, like most touring theatres, has not had a resident education officer to work with the education arm of its visiting companies or to progress joint initiatives with, for example, the local education authority in the context of curriculum work, Life-Long Learning etc. Education is now at the heart of most touring theatres, as already achieved at the Lemon Tree in Aberdeen and, for example, at the Glasgow City Council's King's Theatre and Eden Court Theatre, Inverness. It is understood that the appointment of a member of staff to deliver an education programme at both HMT and the Music Hall is a priority for the new general manager and it is noted that this work will be essential if Lottery funding is to be secured. ***The consultants recommend the early appointment of an education officer, supported by an appropriate budget³⁹.***
- The Theatre Club offers opportunity to become an integral part of the partnership funding for Lottery: a Friends' society could be the centre of an individual-giving campaign. ***The consultants recommend that the general manager examine best practice at selected touring theatre supporters' groups.***

8.1.2 THE MUSIC HALL

This is a nationally important venue, providing a platform for two national companies - Royal Scottish National Orchestra and Scottish Chamber Orchestra - as well as the BBC Scottish Symphony Orchestra. It is also important in terms of local audiences in providing a range of concerts and other events, especially its use as a civic function centre.

Following the appointment of the operations manager as general manager, performing arts venues, the ***consultants recommend that the current vacancy be filled as soon as practicable.*** This will ensure not only the efficient day-to-day management of the Music Hall but also ensure that the programme objectives set out in 8.1.1. can be achieved.

The facility is well-managed and achieves a positive financial return on events which is higher than in most similar halls.

Catering. The catering operations at the Music Hall are run by the council catering department and are, therefore, discontinuous to the venues' management, with the general manager having no control over standards and operations. Profit from the Music Hall catering does not benefit the venues.

Catering would be better managed if it reported to the venues. There should be more customer focus - the bar, café and function suite users are, primarily, customers of the venues. Everything that happens inside the venues is perceived by customers as the responsibility of the venues themselves. Direct control would make it easier to ensure that the style and quality of food and service meet the standards which the venues require. The profits should benefit the business of the venues: when things go well on the stage they will go well in the bar and the venue should benefit.

New tender or in-house? The business should then consider the advantages of tendering the catering operations in part (Music Hall or HMT or both) or as a whole, or running catering totally "in-house". This is also important at HMT, where the Lottery capital application is likely to include creation of a restaurant and hospitality

³⁹ See Appendix 6 for the exhibit *Draft Education Policy for a Touring House*; this includes a prototype for establishing a programme, with budgets and staff indicators

suites. The question of whether to franchise or go “in-house” should be subject to further specialist enquiry, but on a practical level, experience has shown that any outside catering operation is fraught with difficulties. Private operators make decisions about times of opening, menus, prices etc., on a commercial basis. Such decisions tend to be incompatible with the obligations of the venues to provide a full range of services to the public and standards often reduce over time. In any event the Council has considerable experience of negotiating different models of catering operations (such as at the Maritime Museum), and this experience will be useful in addressing the future needs of both the Music Hall and HMT.

8.1.3 THE COWDRAY HALL

The consultants recommend that the Cowdray Hall continues to be programmed by the Music Hall’s operations manager.

8.1.4 THE BOX OFFICE

In any theatre and concert hall, the box office is one of the most important aspects of the overall marketing operation. Not only are the ticket sellers the interface with customers (and must therefore be capable of acting as trained and knowledgeable sales people for particular shows), but the patron data contained within the computers is capable of sophisticated market targeting, thus enabling the venue to maximise its income from every attraction. The Box Office must, therefore, ensure that it is supplying the highest possible level of market intelligence, allowing promotions budgets to be used to maximum effect, to the benefit of the hirers and the management.

The consultants recommend that The Box Office be as an integral part of the management of the marketing operation led by the marketing staff who serve all three Council-run venues.

8.1.5 ABERDEEN ARTS CENTRE

This study has shown that the amateur societies, which provide the mainstay of the Arts Centre programme, make an invaluable contribution to the quality of life, both for their audiences and participants. In this sense, this venue is an important one.

However, the Arts Centre currently finds itself in a situation of very high risk. Its transfer to the voluntary sector gives its management group responsibility both for securing its efficient financial operation as well as, for the short, medium and long term for the restoration of a building in need of substantial capital investment. The consultants are particularly concerned that whilst the Arts Centre Business Plan shows that the Arts Centre Association is likely to meet its obligations in terms of trading, it faces an awesome challenge in raising over £400,000 in the medium term for repairs and possibly an even higher figure in the long term - and that in the context of the local authority’s current inability to offer financial support to the venue. The Arts Centre has committed itself to a major programme of fund-raising which will include a probable application to SAC National Lottery. ***In order to attract such money the Arts Centre will have to undertake a detailed feasibility study and the consultants would recommend this course of action.***

However, the starting point for such a study should be the strength of the amateur movement and the need for a venue to house their work. It should not assume, *per se*, that the Arts Centre should necessarily be the base for such work: it may be that options other than restoration of the current building would be cheaper. The

consultants further **recommend that any feasibility study should take a holistic view** of provision of venues in the 300-450 seat range: the report expands on this topic below, in 8.1.7.

As noted, the City Council's current financial position had led it to indicate that it is unable to offer financial support to the Arts Centre. However, there is a role for the Council in the short term, which is to continue to offer the sort of officer advisory support that was offered in the preparation of their Business Plan. In the medium term, resolution of issues raised in this report, and which would certainly be raised in a feasibility study, must mean that the Council would need to review its position with regard to subsidy at some point in the future.

8.1.6 THE LEMON TREE ARTS CENTRE

This is the sole current Aberdeen example of a professional venue run as a creative promoter. It is also managed by a Trust (with a catering subsidiary) and therefore these factors offer many precedents of good practice, as a programmer and manager, for the future operation and governance of Aberdeen's civic venues. It has attracted SAC National Lottery and capital work is to begin in mid-1999.

8.1.7 THE TIVOLI THEATRE

The Tivoli is a magnificent theatre. If a future for the building as a live theatre is considered in isolation from the wider theatrical environment of Aberdeen, a strong case could be made - if only on historic building and theatrical grounds - for the building to be re-born as a live theatre. It is also the case that Aberdeen currently lacks a quality mid-scale theatre (its capacity would be approximately 600 in contemporary seating standards) and the region is therefore missing out on a range of professional touring productions. The theatre could also provide an important home for some of the amateur societies whose audience expectations outstrip the capacity of the Arts Centre but are too low for HMT.

However, the Tivoli cannot be considered in isolation.

A number of specific matters give the consultants cause for concern. These are:

- the evidence from the market analysis that has been undertaken shows that, by comparison with other cities, Aberdeen is already over-provided for in terms of number of theatre seats *per capita*. Whilst the market research also shows that there is potential to attract greater audience numbers over all for the arts, the consultants are concerned that the Tivoli would inevitably draw audiences away from the existing venues - to their considerable detriment in terms of their general financial position
- the consultants are also concerned that the Tivoli would draw *programmes* away from the other venues, again to the detriment of their overall programme mix; in any event, could such substantial investment as would be required to re-open the Tivoli be justified if what it was aiming to do was 'displace' existing activity and existing audiences?
- the current estimates for bringing the theatre up to standards of accommodation expected in the 21st century vary from £2.5 million to £4 million; the proposed feasibility study (see below) would estimate more precisely the level of investment required. Recognising the increasing tightness of Lottery budgets, the consultants question whether the development of a *new* venue can be given the same priority

for funding as the refurbishment of the existing capital stock of buildings in the city. The site is, in any event, severely constricted: there are significant problems in terms of disabled access, the absence of any foyer means that it is difficult to see how the building could meet contemporary audience expectations of social space or operate efficiently as a box office, for example. These problems could be ameliorated by the acquisition of an adjacent building, such as the Criterion Bar, though it is understood that *both* adjacent premises are not now available for rent or purchase. Even if they were, of course, acquiring one would considerably add to the capital costs. Although the consultants recognise that creative architectural solutions may be capable of being found to deal with some of these matters, they present enormous challenges. They also note that whilst work is going on to secure the future, the building is in private ownership, is unoccupied and, of greater concern, is rapidly deteriorating.

- The current consultancy has not, of course, undertaken a business and artistic feasibility study, nor an architectural study: it is understood that the Tivoli Theatre Steering Committee are presently seeking SAC National Lottery support for such a study to be undertaken. The Theatres Trust has already offered some funds towards the total costs of such a study. The issues raised above should form part of the terms of reference for such a study.
- The consultants believe that the theatre might need in the order of £200,000 revenue subsidy per annum⁴⁰. Any feasibility study will need to examine the source of such subsidy in detail; it must be a matter of concern that the City Council - in the light of its current financial circumstances - may well feel that such a level of subsidy from it is out of the question
- The consultants also believe that the Feasibility Study must take a holistic view - as with the Arts Centre.

By holistic, what is meant is:

- the study must look at the proposed re-opening of the Tivoli in the context of wider venue provision in the City - it cannot be considered in isolation
- further, the study should build on the work already undertaken as part of the current study, particularly in respect of market research, i.e. in the context of the total theatre-going market in the region
- although the consultants acknowledge the interdependence of productions and buildings, they believe that the study should be concerned with addressing what Aberdeen needs in terms of programming first, and only secondly on the buildings needed to house them; it may be, for example, that a cheaper solution to housing the programmes not currently available in Aberdeen (such as middle scale drama touring) could be met through other options - for example through a partnership with a college or university. The study must also investigate how the Tivoli would relate to the new SAC Capital Strategy priority of children and young people.
- The study must also address the issue of programme displacement; one solution to this could be an arrangement between venues that each would programme a 'season' of events and be dark at other times. Such an arrangement was envisaged at the Edinburgh Festival Theatre and King's Theatre where a single Trust attempts, periodically, to programme two touring houses on a seasonal basis. This would have implications on the proposed management of the Tivoli, on

⁴⁰ This figure is taken from Charmaine Tough, *op cit*

the financial structures of all the venues, and on the future management of the other venues: 'seasonality' would only work effectively if all relevant venues were under a single management. Seasonality is prevalent in many European cities, where venues open by rotation, but not so in the UK.

The consultants recommend that there be a feasibility study for the Tivoli - defined to include the observations made above - as a logical next step. The City Council and the SAC might participate financially (with The Theatres Trust) in support of such a study. It is important that, before final decisions are taken about the future of this historic theatre that 'no stone is left unturned'. The consultants are conscious, additionally, that were, for example, the Arts Centre not to reach its objectives, then the arguments for a new venue (and thus for the Tivoli) would change significantly. It also appears to the consultants to be 'only fair' to the promoters of the Tivoli scheme that they have every opportunity to prove their case.

8.2 OTHER RECOMMENDATIONS

A number of other detailed recommendations are made by the consultants, and these follow:

8.2.1 Cultural Policy Context: As noted earlier, the Council does not yet have a corporate cultural strategy for the City dealing with the objectives for cultural development in Aberdeen in the context of the wider community - including the arts community, the arts audience, partners in delivery, etc. Many other local authorities in Scotland have such a strategy, and it seems likely that the new Scottish Parliament will follow international trends in seeking to put such strategies in place as key guides for both internal and external investment decisions. For the purposes of this report we have taken the policy statements of the Performing Arts Venues section of the Council as 'the policy' - but we are conscious that in the final analysis a policy for venues needs to be arrived at in the context of that wider strategic approach, rather than independently of it.

8.2.2 Partnerships: It is clear from the comments of the 'other public agencies' consulted with, that they regard the performing arts venues in the City to be of importance to them in achieving their own strategic goals. Whilst there are some opportunities for venue managers and these agencies to meet occasionally, this appears to be infrequent. The consultants believe it to be essential for there to be a close spirit of partnership between the two 'sides' with more regular meetings arranged to discuss areas of common interest.

8.2.3 Boards of Management: We have noted that even when, in Aberdeen, organisations operate as independent Trusts within the voluntary sector, a large part of their management group is made up of Council nominees. This has its advantages, in that the voluntary sector arts group has more lines 'in' to its potential funders than might otherwise be the case. Experience internationally is demonstrating increasingly that arts organisations are best managed when their board's membership arises primarily not from any sense of its members being 'delegates' of another group, but need to be based on a careful appraisal of the skills required by the board - with vacancies filled to meet those needs by people chosen for their particular expertise (such as artistic, legal, business planning, marketing, accounting, community development). Such an approach does not in any way diminish the importance of the presence of Elected Members on Boards of Management or Trusts, but membership by them should be seen in the context of the wider needs of the individual Board.

8.2.4 Tourism: as has been noted earlier in this report, the consultants do not feel that tourism is likely to be a significant part of the market for the Aberdeen venues. However, there are opportunities - particularly in the area of 'VFR' tourists, and in linking promotions to potential visitors to specific events, programmes and festivals. The approach to these should form part of the marketing strategy referred to above.

8.2.5 Marketing: the consultants make the following four recommendations with regard to the overall marketing situation in the City:

- **Mapping of the current market**

Aberdeen City Council should commission, either internally or externally, a thorough analysis of all existing market data, particularly that held by The Box Office. This will provide a more detailed profile of the existing market. An analysis of current market penetration (number of different people attending out of total potential) is extremely important rather than just how many visits are being made. This will enable much more accurate estimates of the potential remaining market.

Ideally this analysis should be undertaken collaboratively with other venues in the City, particularly Lemon Tree so that it is possible to map the arts audience for the whole of city and 30 minute drive time, not just for the City Council venues.

- **Primary Market Research with Potential Attenders**

After mapping the current market, ACC should undertake primary market research with potential attenders to ascertain current barriers to attendance and the size of the untapped market. Again, it would be appropriate for this to be undertaken collaboratively.

- **Collaborative Marketing**

Aberdeen, including the 30 minute drive time, is too small an area not to be benefiting from the economies of scale afforded by collaborative marketing.

- **Audience Development**

Whilst a more strategic marketing focus might stimulate some of the currently untapped potential market, a co-ordinated audience development strategy would help develop the potential arts audience. The recent appointment of an arts and education officer is a step towards this but ideally there should be a co-ordinated education / audience development / marketing approach to developing audiences.

9 . ACTION PLAN

In this final section of the Report, each of the recommendations made earlier in the Report are repeated, in some cases with an introductory commentary; each set of recommendations is accompanied by an Action Plan. In this way this final section of the Report can 'stand alone' as part of the Executive Summary (q.v.)

The recommendations are summarised as relating to:

- consideration by the City Council of this Report (9.1)
- Context (9.2)
- Governance of the Council owned venues (9.3)
- Management of the Council owned venues (9.4)
- Aberdeen Arts Centre (9.5)
- Tivoli Theatre (9.6)
- Marketing (9.7)

It will be noted that some recommendations (such as those relating to the development of partnerships in 9.4 or the observations about marketing in 9.7) have wider significance than to the section in which they appear.

9.1 CONSIDERATION OF THE REPORT

Action	By Whom	By When
to consider recommendations of this final report	A&R Committee	June 1999
to share key conclusions of this report with the Council's partners (both other venues and agencies such as GEL) and internally with the staff at the key Council-run venues	A&R Dept.	as soon practical

9.2 CONTEXT

The principal recommendation concerning the context in which the report sits concerns the development of a cultural strategy for the City of Aberdeen.

The specific recommendation reads as follows:

R1

THAT Council publish a new City Cultural Policy in order to contextualise and assist the future policy and direction of all venues.

Action	By Whom	By When
To develop a City-wide cultural strategy	all parties and organisations	by deadlines already agreed by Council

9.3 GOVERNANCE OF CITY COUNCIL OWNED VENUES

The consultants have considered a number of options for the Governance of the City Council owned and managed venues - the Music Hall, His Majesty's Theatre and Cowdray Hall. The recommendations which concludes that consideration reads as follows:

R2

THAT Council retain direct management of the venues.

R3

THAT Council allow the venues greater operational freedom within budgets and policy guidelines approved in advance, and that the venues be subject

- **to monthly management reports against agreed budgets (monitored in the case of production deals by a new Risk Committee)**
- **to periodic management reports to Council about their performance against the agreed targets**
- **to a period of constitutional stability for three years before any reconsideration of the Trust option.**

R4

THAT Council reject an immediate reorganisation to Trust status.

R5

THAT Council reject the option of leasing the venues to a commercial operator.

Action	By Whom	When
to agree future Governance of the principle venues considered in this report, and specifically to consider the recommendations regarding greater operational independence	ACC	in advance of Lottery application for HMT being submitted

9.4 MANAGEMENT OF COUNCIL OWNED VENUES

The Report makes a significant number of recommendations concerning the management of the Council owned venues which, in the consultants' view, need to be implemented alongside (and in the light of) Council's consideration of the recommendations in 9.3 above. These recommendations are as follows:

9.4.1 Operational

R6

THAT the theatre should be aiming to retain approximately 24% of receipts and, further, that the 'margin retained' (allied to a new calculation on the true weekly overhead costs of running the theatre) be employed as a key performance indicator.

R7

THAT a new system of monitoring future risk be established. This might take the form of a small risk committee comprising a representative of the City Treasury, the General Manager (Performing Arts Venues) and the Assistant Director (Library and Cultural Services) who would examine box-office forecasts and potential for each production proposed by the general manager where he needs to contract it on a guarantee exceeding, perhaps, £35,000 in one week.

R8

THAT the General Manager, as part of "Best Value", set new targets for the programming mix which the theatre wants to achieve.

R9

THAT the General Manager seek to establish new producing partnerships: including full membership of The Touring Consortium, membership of The Musicals Alliance and associations with other touring houses and chosen producers.

R10

THAT the General Manager should observe best practice in presenting houses abroad. Other staff should also share information with their counterparts in other theatres.

R11

THAT the theatre establish a small investment budget to help selected attractions get on the road and to achieve more control over which productions it would like to present.

R12

THAT the General Manager review all items of legitimate, fair and potential recovery from visiting companies (the “contra” account) including the practice of passing credit card charges on to visiting companies, the billed-rate of stage labour additional to the core provision, the marketing expenditure etc. The budgets should identify these as profit centres, with annual targets set and monitored.

R13

THAT the deal with amateur companies be reviewed with a possible new contract based on a box-office split and, further, that this includes a scrutiny of VAT implications for the amateur societies.

R14

THAT financial management be improved by introducing a new format for weekly and monthly trading statements, geared to the commercial operations of both HMT and the Music Hall. This should include clear apportionment of “federal” support costs (and net profit of the Box Office) to each venue to produce a budgeted weekly overhead, to be used as a key financial indicator.

R15

THAT the General Manager consider framing a new standard Music Hall contract, to be issued for all attractions.

R16

THAT the General Manager make an annual review of the difference between commercial and non-profit hire rates for The Music Hall.

R17

THAT the theatre management must have a shadow landlord role in determining and managing planned maintenance priorities and for capital works.

R18

THAT cleaning the Music Hall should be under the direct management of the operations manager or the house manager.

R19

THAT maintenance of the Music Hall piano is added to the responsibilities of the tuner.

R20

THAT a member of the marketing staff be dedicated to promoting the Music Hall and its programme.

R21

THAT The Box Office become an integral part of the management of the marketing operation led by the marketing staff who serve all three Council-run venues.

Action	By Whom	When
the General Manager (Performing Arts Venues) consider the above recommendations, and report to A&R on their implementation	General Manager (Performing Arts Venues)	as agreed by Committee and line manager

9.4.2 Partnerships

R22

THAT In order to limit potential programme clashes with AECC and to organise potential marketing liaison, the consultants recommend that the General Manager seek to improve communication with his counterpart at AECC.

R23

THAT a review be made of the operation of the Theatre Club, including options for its being a fund-raising supporters' group.

R24

THAT a modest sponsorship budget be created for the two venues.

R25

THAT Council facilitate periodic meetings and partnerships between the other public and private sector agencies and the venues.

R26

THAT Council increase the proportion of independent Trustees on the Boards of Management of funded arts organisations outwith the civic venues.

9.4.3 Personnel

R27

THAT the Cowdray Hall continues to be programmed by the Music Hall's operations manager.

R28

THAT the General Manager be allowed to fill staff vacancies on the basis of venue need and budget rather than adhere to protracted council personnel procedures.

R29

THAT the General Manager consider the desirability of making one of the management team depute general manager for HMT and The Music Hall.

R30

THAT a new Operations Manager is recruited as soon as possible,

Action	By Whom	When
consider the above recommendations, discuss as appropriate with external partners and report to A&R on their implementation	General Manager (Performing Arts Venues) & Assistant Director (Library and Cultural Services)	as agreed by Committee

9.4.4 Education and Outreach work

R31

THAT a formal education policy for HMT and the Music Hall be developed, leading to the appointment of an education officer, dedicated to education and outreach programmes at the two council venues, with a realistic budget.

Action	By Whom	When
seek Committee approval in principle for appointment	Assistant Director (Library and Cultural Services)	as soon as practicable
liaison with key officers in Education Department	Ditto	as soon as possible
seek funding for post (and project budget) internally or externally	General Manager	as appropriate

9.4.5 Capital and the National Lottery

R32

THAT that a fuller options appraisal and priority listing of all possible HMT upgrades be made before a Lottery bid is submitted. This should include consideration of a Rehearsal Room, Studio, Restaurant, Orchestra Pit and Lavatories.

R33

THAT consideration be given to the appointment of an experienced theatre architect to work with the City Architect on upgrading HMT.

R34

THAT City Moves Dance Space be closely involved in the design brief for the proposed studio and rehearsal room at HMT and that, in due course, the agency be considered a priority user.

R35

THAT a catering audit of HMT and the Music Hall be undertaken as a background to the Lottery application and to identify the potential for new approaches to catering provision, which will not only better serve theatregoer needs but also contribute bigger profits to the business

Action	By Whom	When
undertake options appraisal for HMT	City Architect, in	urgently

Lottery application	partnership with external adviser (if agreed)	
appoint external design adviser (theatre architect)	A&R Committee	urgently
liaise with partners such as City Moves	City Architect	a.s.a.p.
undertake catering audit with specialist catering advisers	A&R Committee	a.s.a.p.
on basis of above recommendations submit Lottery application	City Council / SAC	as appropriate

9.5 ABERDEEN ARTS CENTRE

The following recommendations are made in the Report in respect of the Aberdeen Arts Centre:

R36

THAT the Council, and its officers, should recognise the importance of Aberdeen Arts Centre in the cultural life of significant numbers of Aberdonians, and take every opportunity to minimise the financial risk which the Arts Centre now carries. Council should continue to offer advisory support to the Arts Centre and, in particular, do all it can to assist the new management company to access the necessary funds (a) to secure the building's immediate future and (b) to allow the venue to develop its facilities to the people of Aberdeen.

R37

THAT in order to attract new capital money the Arts Centre undertake a detailed feasibility study as part of the first stage of Lottery application.

Action	By Whom	When
Undertake feasibility study into future capital options in light of recommendations in this Report concerning need for a holistic approach	Aberdeen Arts Centre / SAC	as appropriate

9.6 THE TIVOLI THEATRE

The following recommendations are made in the Report in respect of the proposed re-opening of the Tivoli Theatre:

R38

THAT Council and SAC consider financial participation with The Theatres Trust in support of the Tivoli Steering Group's plan for an urgent and detailed feasibility study into its possible revival as a middle-scale theatre.

R39

THAT the brief for this study require its authors to take a holistic approach in the context of wider theatrical provision in Aberdeen, including the market, possible audience and programme displacement, the availability of suitable attractions, the management arrangements for opening the theatre by rotation with the other civic venues, the revenue subsidy implications, the building purchase and capital costs and possible sources of capital funding, as well building on the findings of this study.

Action	By Whom	When
Undertake feasibility study into future capital options in light of recommendations in this Report concerning need for a holistic approach	Tivoli Theatre Steering Group / SAC/Theatres Trust	as appropriate

9.7 MARKETING

The following recommendations are made in the Report in respect of marketing, both within and outwith the Council-owned and managed venues. They are made in the context of a detailed analysis of the existing audience for the performing arts, an analysis of the *potential* audience, and a comparison of the number of seats available for performing arts in Aberdeen compared to other cities: this shows that Aberdeen currently has more seats per head than any comparable UK city.

R40

THAT Aberdeen City Council commission, either internally or externally, a thorough analysis of all existing market data, particularly that held by The Box Office. This analysis should be undertaken collaboratively with all venues in the City.

R41

THAT thereafter, collaborative primary market research with potential attendees should be undertaken, including the potential for increased arts tourism.

R42

THAT all venues collaborate in a degree of joint marketing beyond the distribution work of GREAT, and that audience development be the key strategic marketing focus

R43

THAT in marketing HMT and the Music Hall the following areas be under scrutiny in the short-term: pricing, data collection and analysis, sales/theatre-goer interface, audience development, press liaison.

R44

The consultants recommend that a small generic marketing budget be allocated for HMT.

R45

THAT the General Manager review the negotiation procedure for the marketing deal with producers.

Action	By Whom	When
Institute discussions with all key parties (other venues, GEL, Tourism Board, etc.) to consider need for a strategic approach to marketing in Aberdeen and Grampian	all parties and partners	by autumn 1999
consider relationships between The Box Office and the venues to ensure that maximum use is made of the marketing data available through The Box Office and	General Manager (Performing Arts Venues) and other appropriate staff of The Box Office and A&R	as soon as practicable

needed by the venues	Dept.	
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