

# Viability Study & Economic Impact Assessment for Streatham Hill Theatre

**SUMMARY** | March 2021 | **FINAL**



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## The Opportunity

**T**he Viability Study and Economic Impact Assessment (the Study) summarised here, shows how the refurbishment of the currently under-utilised former Streatham Hill Theatre (the Theatre) is a real opportunity to make a valuable contribution to the regeneration of Streatham as a major town centre and to addressing inequalities in a diverse and up-and-coming area of Lambeth and South London.

Given the uncertainty of current circumstances, the effect of the Covid-19 pandemic, and the unknown intentions of the Theatre owners and leaseholders, an incremental, phased, and collaborative approach to investment and bringing the building back into productive use, learning and adapting as it progresses, is recommended.

Initially the possibility of mutually beneficial **Meanwhile Use** should be explored with the current leaseholders. Following on from this, or if Meanwhile Use does not prove possible, a **Minimum Refurbishment** could be a sustainable operating model, while longer term plans are developed. Finally, a **Full Refurbishment** and operation as a fully commercial theatre could build on the firm foundation created by the Minimum Refurbishment phase.

With the right circumstances, and a significant level of third-party capital investment in

Cover illustration by Magdalena Skop and Asako Hayashi. Photography by Tim Hatcher unless otherwise noted. All rights of contributors acknowledged.



retro-fitting and refurbishment, the ongoing operation of the Theatre as a leisure and entertainment venue promoting arts and culture, is a viable long-term proposition. This project will involve overcoming challenges, but has the potential to generate footfall, jobs and economic growth, leveraging support from key stakeholders such as Lambeth Council and the GLA.

This is a summary of the much larger full report and incorporates feedback from public sector funders.

A [Statement of Heritage Significance](#) has also been published, illustrating the importance of the theatre.

For further details please contact The Friends of Streatham Hill Theatre. All rights reserved.

The Streatham Hill Theatre was opened in 1929. Designed by renowned theatre architect W G R Sprague it presented “West End shows at provincial prices” until 1962. It then became Mecca’s flagship bingo social club, remaining a bingo hall under various operators until 2017. It now hosts a small slot machine lounge, with the rest of the building dormant. It is Grade II listed by English Heritage and registered by Lambeth as an Asset of Community Value. The building is owned by Poll Mount Ltd and is currently leased to adult gaming operators, Merkur Casino UK.

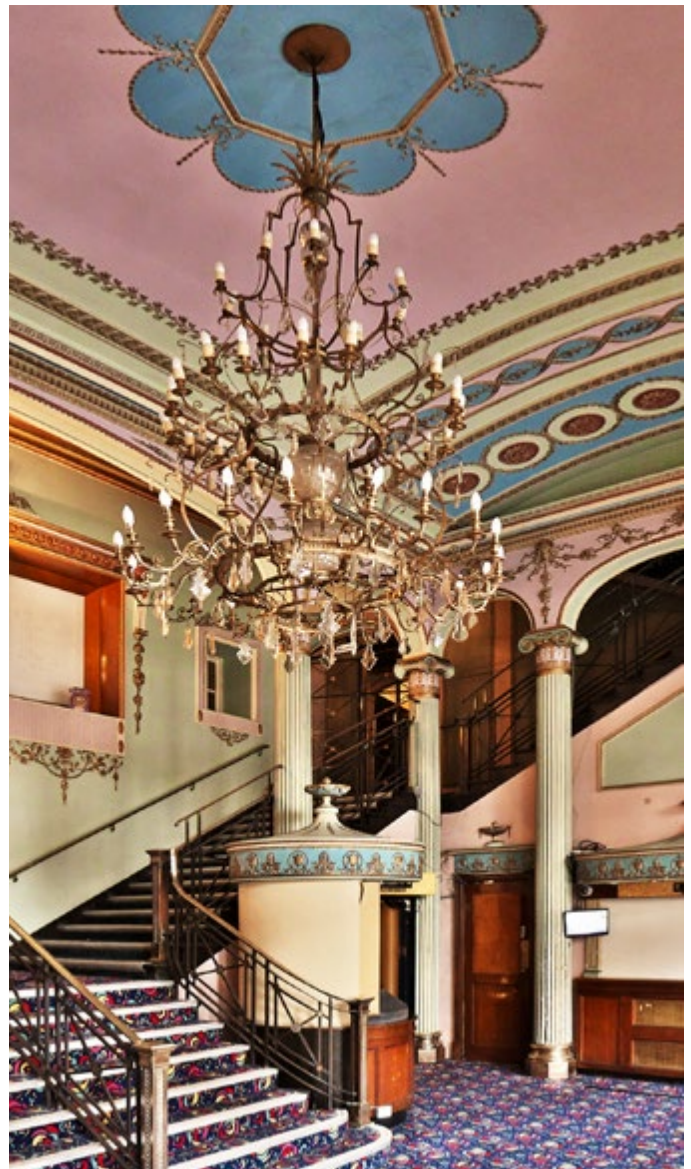
See [www.streathamhilltheatre.org](http://www.streathamhilltheatre.org) for more information

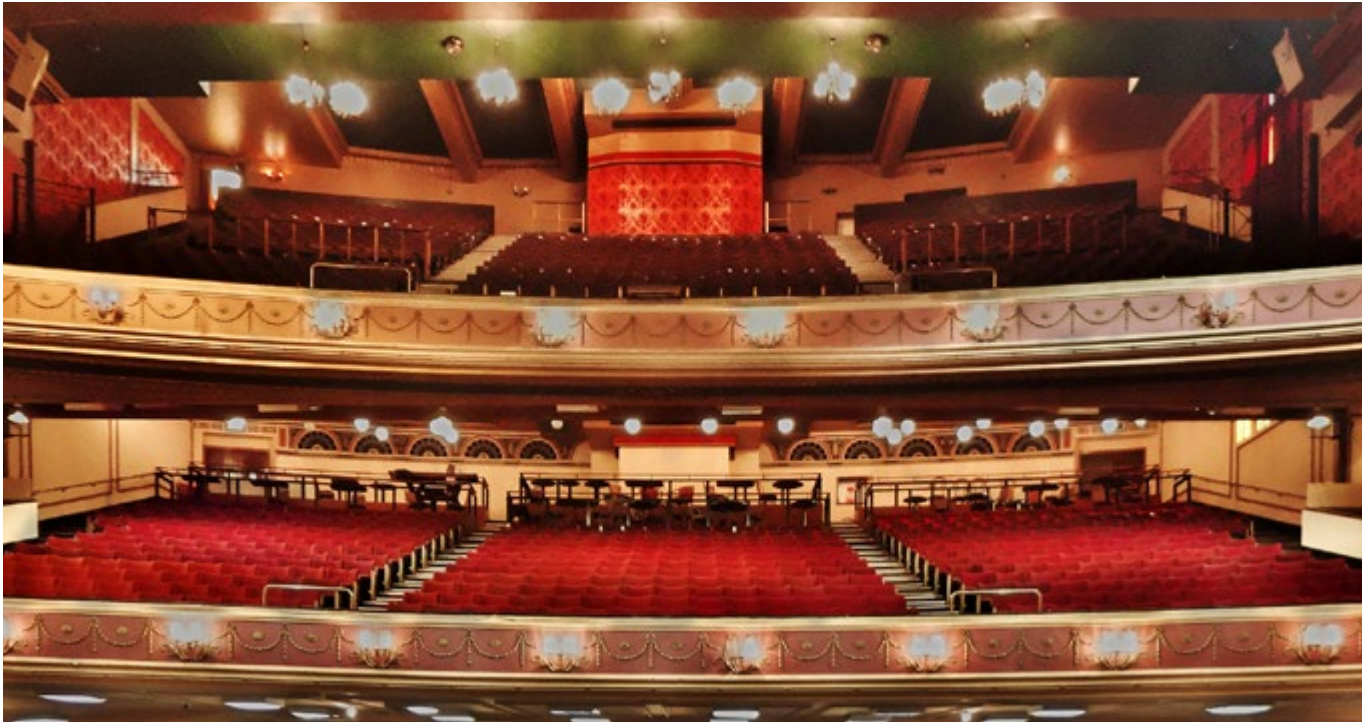
In practice, the main sources of investment for any such project will need to be public sector, commercial, third sector, and philanthropic, or a combination of them all. However, it is unlikely that a commercial investor would be able to find the appropriate return on capital to justify investment in the regeneration of what is a Grade II listed building, but could fund its fit out.

Phased over a ten-year period, a Meanwhile Use that supports community focused Arts

and Culture could grow to become a major commercially operated large capacity 'number-one receiving house' for South London, presenting a broad programme of music and comedy, big musicals and pantomime catering to diverse local interests, providing good jobs to the community.

Read on for more about how this can be achieved, the benefits it will bring and what it would cost.





### The next five years...

**H**aving been in operation as a bingo hall until 2017, the Theatre is in a reasonable condition and parts of the building could be made operable for 'meanwhile' activity quite quickly and easily. It could initially be run as 'found space', upgraded sufficiently to meet current licencing requirements.

Sharing the entrance with the current operators would give access to up to seven lettable spaces in the front of house areas and a separate entrance off Blairderry Road would provide access to the dressing room block with 18 lettable rooms. In the stalls of the main auditorium the existing layout could be retained as a 1,000-capacity flat floor events space.

This Meanwhile Use could start small and grow, with the building operating as a 'fringe' style venue with multiple spaces and activities. A mixture of small-scale cultural and community user groups, for the front of house areas and individual businesses and freelancers for the offices /

co-working spaces in the dressing room block. The auditorium and stage would be hired for rehearsals, private events, and a public programme ranging from markets to music.

### In the longer term...

Ultimately, the ambition is for the Theatre to be fully refurbished, retaining a large capacity auditorium (1,900 seats) with flexibility to allow a partially standing audience for some types of music (capacity 2,750). The stage, orchestra pit and fly tower are retained as now, enabling the largest type of shows to be accommodated on one of London's biggest stages. The Theatre would be operated by a commercial company presenting a varied and popular programme whilst continuing to make facilities available to the local cultural community.

If circumstances should change, there is a contingent option of a reduced size auditorium configuration with additional smaller spaces, and with workspace, that could be operated by a charity.

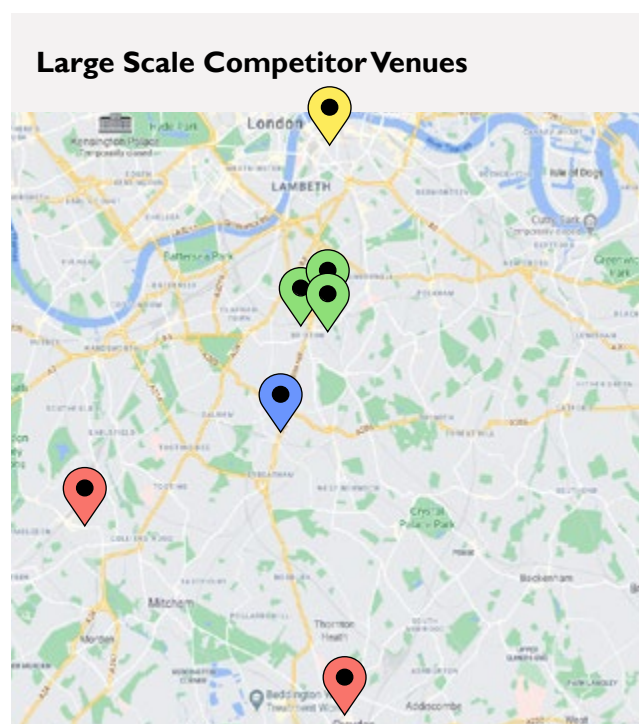


Flash mob photocall November 2018 - Photo by The Friends of Streatham Hill Theatre

## Market Analysis

Extensive work was undertaken on mapping Competitors, Audiences and Users as part of this Study.

It was concluded that, whilst there was considerable competition from large scale venues in the catchment area, a penetration of 10-20% of the main Streatham Hill Theatre audience catchment area of **1,164,626** adults would be sufficient to sustain the commercial business model.



## What impact will the regeneration of the Theatre have?

Research has identified a number of social, cultural and economic benefits including:

- Enhanced local access to culture, local participation and engagement, thereby contributing to the notion of a '15-minute neighbourhood', which as a result of the Covid-19 pandemic has become an ambition for boroughs across London. In a '15-minute neighbourhood' concept, residents would have access to all of their needs for shopping, work, recreation and culture within a 15-minute walk or cycle
- Contributing to **Lambeth's Covid Recovery Plan** and '**New Beginnings**' priorities in addressing wellbeing, supporting children and families, and strengthening communities by working with local people and neighbourhoods
- Enhancing the quality of life and desirability of the area as a place to live, work and visit by filling a gap in the provision of a diverse, high-quality cultural offering
- Supporting the night-time economy and contributing towards the **GLA's 24-hour city** ambition and adding to the desirability of the area as a destination for residents
- Enhanced education and learning for children, young people, adult learners and other target groups through outreach to underserved communities
- Supporting **Lambeth's Growth Strategy** and its aim of addressing sustainable growth and inclusive opportunities through access to affordable workspace
- Fostering local creative enterprise, thereby supporting **Lambeth's Creative and Digital Industries Strategy for Growth**, including supporting its objectives to deliver on space, networks and support, places and talent
- Making an important local cultural contribution to UK cultural policy priorities for enhancing the diversity and representation in the cultural and creative industries
- Helping preserve and protect Lambeth's cultural heritage by supporting the preservation of the Grade II listed building on the **Theatre Trust's At Risk Register**. This approach would upgrade and reuse an existing building, rather than redeveloping it which would lead to higher carbon emissions.

Following HM Treasury's Green Book approach,<sup>2</sup> the economic impact analysis is based on the forecast of the capital, operating, and high street expenditures stimulated by the regeneration of the Theatre over a 30-year period and includes direct, indirect, and induced economic impacts. The key highlights of additional economic impact on the South London economy are as follows:

*More detail is given in the full Study*

Summary of 30-year economic impact of SHT regeneration	30-year total	Annualised average <sup>3</sup>
Employment (Full Time Employees)	1,245 FTEs	41.5 FTEs
Compensation of Employment	£39.4m	£1.3m
Gross Value Added	£71.4m	£2.4m

2. <https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government>

3. Annualised figures are an average. The yearly figures will relate to the phased programme's level of investment and activity in year.



The future vision for Streatham Hill Theatre - Illustration by Magdalena Skop and Asako Hayashi

## Who will run the Theatre?

Finding the right operator for the initial phases is critical. A credible operator, with meanwhile experience, and probably a not-for-profit organisation, would need to convince the leaseholders and freeholder that they offer a good opportunity to meet their individual ambitions. In addition, the operator will need to have a robust cash flow to support the start-up of a new facility. Finally, it will be important for the operator to engage the enthusiasm and tenacity of The Friends of Streatham Hill Theatre. The operator would engage a small permanent team of staff to market and run the Theatre. This would be supplemented by casual staff for events and a large pool of volunteers drawn from The Friends of Streatham Hill Theatre and elsewhere. In the longer term, finding a commercial

operator for a fully refurbished theatre of 1,900 seats in this location should be quite feasible, assuming initial capital investment from elsewhere to enable operational viability. The potential operators approached, the length of the lease and the level of rent achievable, are set out in detail in the full Study. Modelling suggests that 26 full time staff and 23 full time equivalent casual staff would be engaged in running the Theatre by year 10.

## What will it cost?

The ten-year phased approach allows for a long-term capital fundraising campaign. Initially, funding will be required to re-open the Theatre for Meanwhile Use and it is envisaged the operator should be eligible for public sector capital grants towards this.

Once the post-Covid financial recovery position is clearer, a £6.4m investment in a Minimum Refurbishment could be a substantial step towards the Full Refurbishment cost of £22.7m. This capital investment will need to be funded from elsewhere, with the commercial theatre operator contributing to the final fit-out cost. An operating cost plan is included in the full Study that sets out the key assumptions and performance of the Theatre over the first five years of Meanwhile and Minimum operation, before Full Refurbishment.

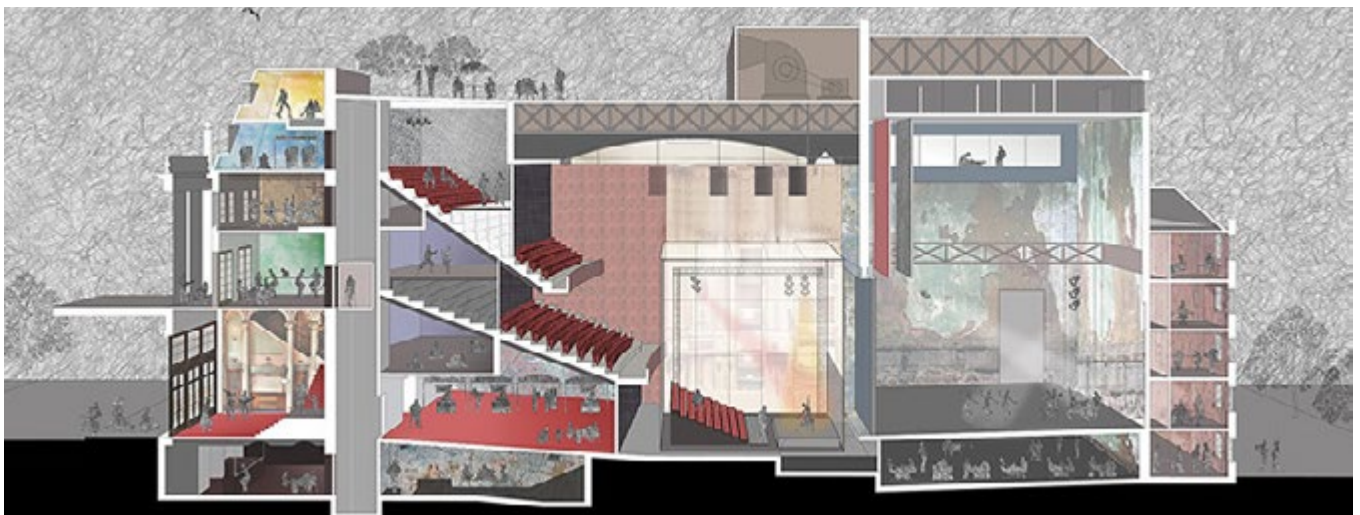
The Theatre should be able to operate without revenue subsidy over this five-year period if the projected revenues can be achieved by a small, ambitious management team and the current leaseholder is willing to work with a meanwhile operator to agree a mutually beneficial operational and financial arrangement.

## What happens next?

To bring the Theatre back into use, initially as a meanwhile space that supports community focused Arts and Culture, will take a considerable effort by a partnership of organisations and the goodwill of both the freehold and leasehold owners. The Theatre will not have a viable future without the broadest support of the public sector, particularly Lambeth Council.

Evidence from a number of benchmarked projects around the country, such as the public sector funded Walthamstow Granada, Bradford Odeon and Stockton Globe attest to the lengthy gestation of these ambitious schemes and it is anticipated that the first two phases – Meanwhile and Minimum Refurbishment - could take at least five years to realise, and another five years before the Theatre is fully refurbished and operating.

The positive engagement of the owners and leaseholders is an essential first step to realising these plans and the support of Lambeth Council will be required to facilitate this. Thereafter, identifying a credible meanwhile operator to initially bring the building back to life will be key. Then, starting a long-term fundraising campaign for investment to get the project started and ultimately to fund the full refurbishment. Whilst it might be unrealistic to suggest that Streatham will once again achieve its 1930's accolade as the **West End of South London**, the refurbishment of Streatham Hill Theatre could play a major role in leading the post-Covid high-street recovery, developing the 15-minute neighbourhood, increasing localised co-working opportunities and ultimately making a significant economic contribution to the regeneration of this part of London.



Side section perspective - Visualisation by Poroban



Crowds gather for the Streatham Society led 'Open Invitation Tour' in 2013 - Photo D N Harvey



Simon Callow and Catherine Russell help to celebrate the Theatre's 90th Birthday. 20th November 2019 - Photo P H Lunnnon

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## Project Consultants

**FEI** is a specialist consultancy providing both strategic and operational advice to arts, entertainment and conference venues as well as cultural and creative industries organisations and their funders, particularly local authorities. FEI's directors and associates have developed and managed some of the UK's leading venues and organisations.

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