

High Peak Theatre Trust

# Buxton Opera House



Impact Assessment

March 2022



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## Impact Assessment

**March 2022**

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# 1 Introduction

## 1.1 This study

Buxton Opera House is an exquisitely beautiful Edwardian theatre and one of the country's finest examples of Frank Matcham theatre design. Benefitting from major restoration in the 1970s and the 1990s, the 901-seat Opera House is considered to be a wonderfully preserved heritage asset and occupies a landmark location within Buxton.

The Opera House is operated by the High Peak Theatre Trust which also operates the Pavilion Arts Centre in Buxton.

The Opera House is a very busy receiving house with around 450 performances each year including dance, comedy, children's shows, drama, musical concerts, pantomime and opera as well as a lively Fringe Theatre and Community and Education Programme. The theatre is also home to the renowned Buxton International Festival.

However, the theatre is in urgent need of modernisation and refurbishment particularly in terms of the back of house facilities. To this end, the trustees have embarked on a feasibility exercise to estimate the costs and practicalities of a modernisation project.

As a charity, the trust will need to assemble a package of funding and as such will be required to demonstrate value for money and return on investment particularly if public sector funding is part of the mix. The High Peak Theatre Trust has therefore appointed AMION Consulting to undertake this Impact Assessment to quantify and articulate the trust's economic, social and cultural impact and crucially demonstrate the **additional value** that could be unlocked with a major investment in the Opera House.

If the High Peak Theatre Trust is to develop, grow and sustain new and existing funding relationships it needs to have clear evidence that it has a positive impact and represents value-for-money in terms of any future public sector investment.

## 1.2 High Peak Theatre Trust

Buxton Opera House is owned by High Peak Borough Council and since 1991, it has been operated by the charity, High Peak Theatre Trust whose charitable objects (i.e. the reason for its existence) are:

- The advancement of the arts and culture including drama, ballet, opera music, singing, literature, sculpture and painting; and
- The advancement of the Buxton Opera House and Pavilion Arts Centre as performance venues whilst respecting heritage and architectural significance.

In delivering its charitable purpose, the trust:

- Manages and programmes the Opera House (901 capacity) and Pavilion Arts Centre (354 capacity) in Buxton which includes the presentation of live performances of dance, comedy, children's concerts, rock, pop and folk music, pantomime and opera in the Opera House as well as cinema and live events in the Pavilion.

- Plays host to the annual Buxton International Festival by staging a main production for 18 days in July.
- Commissions new work and mounts co-productions which is an aspiration for future development.
- Delivers an imaginative learning and engagement programmes for children and young people.

The trust leases the Opera House from High Peak Borough Council for a nominal rent and receives a management fee of £49,020 from the council to operate the Pavilion Arts Centre. Repair of the Opera House is the responsibility of High Peak Borough Council but the trust must allocate the first £26,000 of any operating surplus to a repair fund (after any previous year losses have been covered).

The High Peak Theatre Trust generates the majority of its income from box office sales and food and drink. Unlike many of other charities within the arts and cultural sector, it is not in receipt of major annual grant funding from Arts Council England or other public bodies.

### 1.3 The need for investment

Over the years, the theatre has been very well preserved and conserved and has maintained many of its original features. On the one hand, the focus on conservation over the last 120 years has preserved this architectural gem but the lack of modernisation has increasingly hampered the success of the theatre.

The theatre now falls short of the modern standards expected by both customers and visiting companies/artists. Access and participation are severely limited due to the inadequate facilities and many modern productions simply cannot be accommodated. As such, trustees of the High Peak Theatre Trust recognise that they must investigate how the theatre can be modernised to secure its long term future. To that end, the trustees commissioned a detailed feasibility study in 2019 which proposed a number of interventions that seek to overcome the building's current limitations and weaknesses. Following the disruption caused by COVID-19, the trustees and senior management team have re-engaged with the project and have embarked on the next stage of design development.

Without a programme of modernisation, the theatre is likely to fall into dis-repair, losing audiences to competitors and is in danger of becoming a 'museum-piece'. The trustees consider this investment to be essential and urgent in securing the long term future of the charity.

In addition to a physical modernisation project, the trust is also re-assessing its vision and strategic objectives. The trustees recognise that the physical limitations of the building constrain what can be achieved in terms of creative output, participation, learning, co-production, community work and talent development.

Whilst there will always be a place for the commercially successful touring product of comedy, music and light entertainment which forms the bulk of the programme at the Opera House, an extensive modernisation of the Opera House could offer new opportunities for innovative touring companies, commercial co-productions and more community productions.

In broad terms, the High Peak Theatre Trust wishes to use the modernisation project to:

- Move to more of a mixed model of presenting and co-production featuring work of the highest artistic quality and production standards using the latest technology.
- Develop a reputation as an incubator of new work and provide a platform for new talent, local artists and innovative touring companies.
- Develop and diversify audiences to the Opera House attracting new visitors to Buxton.
- Maintain an entrepreneurial approach and continue to be a commercially sustainable charity by increasing audience numbers, ticket sales and other income.
- Expand participation in community engagement, outreach and learning activity will also increase.

## 1.4 Structure of the report

The remainder of this report continues in the following sections:

- Section 2 – estimates the current economic impact of the High Peak Theatre Trust by examining direct employment, supply chain expenditure, off-site visitor expenditure and induced effects;
- Section 3 – aims to quantify the social impact of the trust in terms of savings to the health service, educational benefits and volunteer impacts;
- Section 4 – describes the wider activities of the trust in terms of fulfilling its charitable purpose and delivering for public sector partners;
- Section 5 – examines the potential future impacts of the capital project and what the return on investment might be for any public sector investment; and
- Section 6 – provides a summary of the findings.

## 2 Baseline economic impact

### 2.1 Overview

The High Peak Theatre Trust generates economic impact by employing people directly on-site, spending money with suppliers and attracting visitors to Buxton. The impact of each of these areas is explored in the sections below.

2020 and 2021 were very unusual years for the culture and entertainment sector as a result of COVID-19 and this was no different for the High Peak Theatre Trust which saw the Buxton Opera House and Pavilion Arts Centre closed for many months. Therefore, many of the figures in this section refer to 2019/20 or an average of the three years up to 2020.

### 2.2 Socio-economic context in High Peak

In 2020, the total population of High Peak stood at around 92,633 people; an increase of just 1.7% since 2010. The growth in population is well below the growth seen at the Derbyshire County Council level which saw population growth of 5.1% during the same period.

In terms of economic performance, High Peak's total Gross Value Added (GVA) stood at c.£1.48 billion in 2019 which represents a 13.5% growth in output since 2010. This growth is higher than that seen across Derbyshire which was 11.6% over the same period but was lower than the GVA growth of 18.1% at national level.

Analysis of Experian's regional forecasts<sup>1</sup> suggests that High Peak will see GVA growth of 23% by 2040 which is broadly in line with the estimate for Derbyshire which is likely to see growth of 24%. Employment in Buxton is set to grow by 8% by 2040 whereas employment Derbyshire is set to grow by 10% over the same period.

Whilst there is certainly evidence of jobs growth since 2015 in High Peak, a number of indicators show that employment opportunities in High Peak are relatively constrained yet unemployment amongst working-age residents is low. Job density measures the number of jobs in an economy against the number of people aged 16-64. High Peak has a job density of 0.68 (there are 0.68 jobs for everyone aged 16-64) which is well below comparator figures for Derbyshire (0.79) and Great Britain (0.84). However, the proportion of people claiming unemployment benefits is below the average for East Midlands or Great Britain which suggests that a high proportion of working age people travel outside of High Peak for employment (Manchester, Sheffield and Derby for example).

For those in work, average earnings amongst residents of High Peak are exactly the same as the average across Derbyshire residents. However, earnings amongst those who *work* in High Peak are 5% lower than the Derbyshire average.

In summary and in comparison to regional averages, High Peak has seen lower population growth, higher GVA growth, lower unemployment levels but a greater tendency for people to find employment outside of High Peak and for those working in High Peak itself (but not necessarily resident) they tend to earn lower wages.

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<sup>1</sup> Experian Regional Planning Service, 2021



## 2.3 Impact from direct employment

### 2.3.1 Onsite employment

In a typical year, the High Peak Theatre Trust directly employs **between 60 and 70 people** in full time, part time and flexible roles. This employment covers a range of areas including management, administration, finance, marketing, box office, front of house, catering, creative engagement, learning, technical, stage management, facilities and fundraising.

The level of employment can fluctuate year-on-year according to the activity undertaken in any given year. 2020 and 2021 were very unusual years for the culture and entertainment sector as a result of COVID-19 and this was no different for the High Peak Theatre Trust which saw the Buxton Opera House and Pavilion Arts Centre closed for many months.

Therefore, it is more realistic to look at the level of employment in the years immediately prior to the pandemic disruption. In the three years before the pandemic, the average number of people employed was 64. Taking account of part time and casual work, the 64 jobs equate to around **34 full time equivalent jobs**.

Table 2.1: Annual staffing at the Buxton Opera House			
	2017/18	2018/19	2019/20
Staff costs inc. national insurance and pensions	£907,983	£977,324	£987,905
Staff employed	68	64	60
<b>Staff employed (FTE)</b>	<b>35</b>	<b>38</b>	<b>36</b>

Source: High Peak Theatre Trust

Analysis of the current staff postcodes (anonymized) shows 86% of the current staff live within the High Peak local authority area, 3% live elsewhere in Derbyshire and 11% live outside of Derbyshire.

Table 2.2: Staff at the Buxton Opera House			
	Current %	No. of staff in a typical year	No. of FTE in a typical year
Staff living in High Peak	86%	55	31
Staff living outside High Peak in Derbyshire	3%	2	1
Staff living outside Derbyshire	11%	7	4
<b>Total</b>		<b>64</b>	<b>36</b>

Source: High Peak Theatre Trust

### 2.3.2 GVA from direct employment

The average number of full-time equivalent staff employed by the High Peak Theatre Trust is 36 per annum. In addition to the 36 full time equivalent jobs that are supported directly on-site at the Buxton Opera House, induced employment arises as a result of additional rounds of expenditure in the economy from the direct employment created or supported. In other words, employees of the

High Peak Theatre Trust make purchases in the economy that support further employment off-site. This is known as the multiplier effect.

Analysis undertaken by Cebr<sup>2</sup> on behalf of Arts Council England asserts that for every job in arts and culture in the UK, another 0.84 jobs are supported in the wider economy. This would suggest that a further 30 full time equivalent jobs are supported through induced employment.

**Direct employment at the High Peak Theatre Trust therefore supports a total of 66 full time equivalent jobs in the economy.**

Analysis of ONS data<sup>3</sup> suggests that GVA per full time equivalent job in the creative, arts and entertainment sector in the East Midlands is £57,000. Direct employment at the trust supports over £3.76m of GVA in the economy as set out in Table 2.3 below.

<b>Table 2.3: GVA from direct employment</b>	
Staff employed (FTE) in a typical year	36
Induced employment	30
<b>Total FTE jobs from direct employment</b>	<b>66</b>
GVA per FTE job in creative, arts and entertainment in East Midlands	£57,000
<b>Total GVA</b>	<b>£3,762,000</b>

*Source: High Peak Theatre Trust data and AMION analysis*

The local and sub-regional impacts are set out in Table 2.4 below based on the postcode analysis of the trust's current staff.

Given that 86% of the trust's staff live in the High Peak local authority and 3% live in the rest of Derbyshire, direct employment supports 57 full time equivalent jobs in High Peak and over £3.25m of GVA. At the Derbyshire level, the trust supports 59 full time equivalent jobs and circa £3.36m of GVA through direct employment.

<b>Table 2.4: Distribution of GVA from direct employment</b>			
	<b>High Peak</b>	<b>Derbyshire</b>	<b>UK</b>
FTE jobs	57	59	66
GVA impact	£3,249,000	£3,363,000	£3,762,000

*Source: High Peak Theatre Trust data and AMION analysis*

<sup>2</sup> Contribution of the arts and culture industry to the UK economy, Cebr for Arts Council England, 2020

<sup>3</sup> Annual Business Survey and Business Register & Employment Survey, ONS, 2019 data

## 2.4 Supporting the local supply chain

### 2.4.1 Supply chain expenditure

In the course of its business, the High Peak Theatre Trust spends a significant amount of money buying in goods and services each year. In the three years prior to the pandemic, the trust spent an average of **£0.79m per annum on goods and services**.

The costs below also exclude the amounts given over to visiting companies, artists, agents and promoters as this is considered within Table 2.5 below.

Table 2.5: Annual expenditure on goods and services			
	2017/18	2018/19	2019/20
Expenditure on goods and services	£799,948	£742,515	£814,714

Source: High Peak Theatre Trust.

Analysis of the trust's supplier database (anonymized) suggests that 12% of the suppliers (by value) are based in the High Peak local authority area, 7% are based in Derbyshire and 81% are based in the rest of the UK.

In 2019/20, the trust spent circa £99k with suppliers based in High Peak and a further £59k with suppliers based in the rest of Derbyshire.

Table 2.6: Expenditure on goods and services 2019/20		
	Current %	Average annual expenditure
Suppliers in High Peak	12%	£99,086
Suppliers in rest of Derbyshire	7%	£58,608
Suppliers in rest of UK	81%	£657,020
<b>Total</b>		<b>£814,714</b>

Source: High Peak Theatre Trust

As a receiving house, the trust typically retains just 20% of its box office receipts, with 80% going to visiting companies, artists, agents and promoters which supports employment across the entertainment and cultural sector. This is a significant amount of expenditure in a typical year averaging £2.67m between 2017 and 2020.

Table 2.7: Annual payments to visiting companies, artists, agents and promoters			
	2017/18	2018/19	2019/20
Payments to artists, promoters and agents	£2,741,490	£2,559,066	£2,710,094

Source: High Peak Theatre Trust

As might be expected, the vast majority of visiting companies, artists, agents and promoters are based outside of Derbyshire. However, given that the Opera House is one of the main host venues

of the Buxton International Festival (held annually for 18 days in Summer), a significant share of this expenditure is paid over to the organisers of the Buxton International Festival.

<b>Table 2.8: Expenditure on visiting companies, artists, agents and promoters 2019/20</b>		
	<b>Current %</b>	<b>Average annual expenditure</b>
Suppliers in High Peak	22%	£606,103
Suppliers in rest of Derbyshire	0.2%	£6,536
Suppliers in rest of UK	77%	£2,097,455
<b>Total</b>		<b>£2,710,094</b>

Source: High Peak Theatre Trust

#### 2.4.2 GVA from supply chain expenditure

In 2019/20, the High Peak Theatre Trust spent £0.81m on goods and services and £2.71m on visiting companies, artists, agents and promoters which amounted to £3.52m.

Using data from ONS,<sup>4</sup> the turnover to support one full time equivalent job in the East Midlands is £121,842 which would suggest that the trust's supply chain supports around 29 full time jobs in the economy.

In addition to the 29 full time equivalent jobs that are supported through the trust's supply chain expenditure, induced employment arises as a result of additional rounds of expenditure in the economy from the supply chain employment created or supported. In other words, employees of the trust's suppliers make purchases in the economy that support further employment in the economy (multiplier).

The HCA Additionality Guide<sup>5</sup> suggests that for every full-time equivalent job in recreation, a further 0.38 jobs are supported at a local level. This would suggest that a further 11 full time equivalent jobs are supported through induced employment.

#### **Supply chain expenditure by the trust supports 40 full time equivalent jobs in the economy.**

Analysis of ONS data<sup>6</sup> suggests that GVA per full time equivalent job in the East Midlands is £39,385. Supply chain expenditure by the High Peak Theatre Trust supports c.£1.58m of GVA in the economy as set out in Table 2.9 below.

<sup>4</sup> Annual Business Survey and Business Register & Employment Survey, ONS, 2019 data

<sup>5</sup> Additionality Guide, 4<sup>th</sup> Edition, Homes and Communities Agency, 2014

<sup>6</sup> Annual Business Survey and Business Register & Employment Survey, ONS, 2019 data

<b>Table 2.9: GVA from supply chain expenditure</b>	
Supply chain employment (FTE)	29
Induced employment	11
<b>Total FTE jobs from supply chain expenditure</b>	<b>40</b>
GVA per FTE job in the East Midlands	£39,385
<b>Total GVA</b>	<b>£1,575,400</b>

Source: High Peak Theatre Trust and AMION analysis

The local and sub-regional impacts are set out in Table 2.10 below based on the postcode analysis of the trust's suppliers. The trust's supply chain expenditure supports 8 full time jobs in High Peak and over £0.31m of GVA in the district.

<b>Table 2.10: Distribution of GVA from supply chain expenditure</b>			
	<b>High Peak</b>	<b>Derbyshire</b>	<b>UK</b>
FTE jobs	8	9	40
GVA impact	£315,179	£344,294	£1,575,385

Source: High Peak Theatre Trust and AMION analysis

## 2.5 Attracting visitors to Buxton

### 2.5.1 Visitor expenditure

In addition to direct employment and supply chain, the High Peak Theatre Trust generates economic impact in Buxton and Derbyshire by attracting visitors who spend money in the town's bars, restaurants, shops, taxis and car parks which in turn supports employment.

With a maximum capacity of 901 in the Opera House and 354 in Pavilion Arts Centre and between 800 and 900 events per annum across the two venues, the trust is responsible for bringing a significant number of visitors to Buxton. Speaking with local residents and stakeholders confirms (albeit anecdotally) that the bars, pubs and restaurants that are in close proximity to the Opera House are busy in the hours just before and just after a show.

Up until the disruption of the pandemic, attendance across the two venues averaged 199,000 per annum between 2017 and 2020.

<b>Table 2.11: Annual attendance</b>			
	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
Total annual attendance at Opera House and Pavilion Arts Centre	203,039	199,515	195,274

Source: High Peak Theatre Trust

Analysis of the (anonymized) customer records for this period shows that between 40% and 45% of customers came from High Peak, between 10% and 11% came from the rest of Derbyshire, between 43% and 47% came from outside Derbyshire and 2% - 3% were from overseas.

<b>Table 2.12: Origin of visitors to Buxton Opera House</b>			
	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
Visitors from High Peak	40%	45%	43%
Visitors from rest of Derbyshire	11%	10%	11%
Visitors from outside of Derbyshire	47%	43%	44%
International visitors	2%	3%	3%

*Source: High Peak Theatre Trust*

The data above suggests that in a typical year, the Buxton Opera House and the Pavilion Arts Centre attracts to Buxton:

- c.85,000 people from High Peak;
- c.21,000 visitors from the rest of Derbyshire;
- c.88,000 visitors from outside of Derbyshire; and
- c.5,000 visitors from overseas.

Audience data from within the trust suggests that 20% of the visitors live more than an hour's drive away from Buxton and, for the purpose of calculating visitor expenditure, it is assumed that this cohort of visitors make an overnight stay in Buxton.

Using data from the Great Britain Tourism Survey and the Great Britain Day Visitor Survey, AMION estimates that the average of c.199k visitors to Buxton (including 39,855 visitors who make an overnight stay) generate visitor expenditure of over £12.10m per annum with businesses other than the High Peak Theatre Trust.

**Table 2.13: Off-site visitor expenditure in High Peak**

	Average annual attendance 2017-20 (a)	Tourism spend per head in Buxton <sup>7</sup> (b)	F&B spend on-site at the Opera House or Pavilion (c)	Total visitor expenditure in Buxton a x (b - c)
Visitors from High Peak	84,862	£15.63	£2.09	£1,149,043
Day visitors from rest of Derbyshire	20,896	£15.63	£2.09	£282,934
Day visitors from outside of Derbyshire	48,640	£15.63	£2.09	£658,591
Staying visitors from UK*	39,855	£197.62	£2.09	£7,792,892
Staying visitors from overseas	5,023	£444.00	£2.09	£2,219,563
<b>Total</b>	<b>199,276</b>			<b>£12,103,023</b>

Source: High Peak Theatre Trust data, Visit Britain data and AMION analysis

\*Those living more than an hour's drive away are assumed to be staying overnight in High Peak

### 2.5.2 GVA from visitor expenditure

It is estimated that the c.199,000 annual visitors to the Opera House and Pavilion spend approximately £12.10m in the visitor economy of Buxton. However, some of the visitors who stay overnight may not necessarily be staying in Buxton **because of** the Opera House but rather that they have already decided to stay in Buxton or Derbyshire and then later decide to take in a show. This will certainly be the case with the majority of international tourists. We know that around a quarter of the international audiences attend the festival but it is unlikely that the remainder have decided to make a trip to the UK to visit the Opera House. This will also apply to a small number of the domestic tourists who might be on holiday (or planning a holiday) in Derbyshire and later to decide to attend the Opera House. 75% deadweight<sup>8</sup> has therefore been applied to the international tourists and 25% to domestic staying visitors which suggests that net additional visitor expenditure generated by audiences at the Opera House/Pavilion amounts to around £8.49m per annum.

<sup>7</sup> High Peak and Derbyshire specific figures taken from Great Britain Tourism Survey and Great Britain Day Visitor Survey; Visit Britain 2019

<sup>8</sup> Deadweight is a term used in economic appraisal to refer to the economic effects that would occur without intervention. In this case, it refers to the tourists that would come to Buxton regardless of the Opera House.

<b>Table 2.14: Net additional visitor expenditure</b>				
	<b>Average annual attendance 2017-20</b>	<b>Total visitor expenditure in Buxton</b>	<b>Assumed deadweight</b>	<b>Net additional visitor expenditure</b>
Visitors from High Peak	84,862	£1,149,043	0%	£1,149,043
Day visitors from rest of Derbyshire	20,896	£282,934	0%	£282,934
Day visitors from outside of Derbyshire	48,640	£658,591	0%	£658,591
Staying visitors from UK*	39,855	£7,792,892	25%	£5,844,669
Staying visitors from overseas	5,023	£2,219,563	75%	£554,891
<b>Total</b>	<b>199,276</b>	<b>£12,103,023</b>		<b>£8,490,128</b>

Source: High Peak Theatre Trust data, Visit Britain data and AMION analysis

This £8.49m of off-site visitor expenditure has been converted to FTE jobs by employing a metric derived from ONS data<sup>9</sup> which suggests that the turnover to support one full time equivalent job in the tourism industry<sup>10</sup> in the East Midlands is £54,014 which would suggest that the trust's audiences support around 157 full time jobs in the visitor economy.

In addition to the 157 full time equivalent jobs that are supported through visitors' off-site expenditure, induced employment arises as a result of additional rounds of expenditure in the economy. In other words, employees of Buxton's shops, bars, restaurants and transport companies go on to make purchases that support further employment in the economy (multiplier).

The HCA Additionality Guide<sup>11</sup> suggests that for every full-time equivalent job in recreation, a further 0.38 jobs are supported at a local level. This would suggest that a further 60 full time equivalent jobs are supported through induced employment.

**Offsite visitor expenditure by customers of the High Peak Theatre Trust supports 217 full time equivalent jobs in the economy.**

Analysis of ONS data<sup>12</sup> suggests that GVA per full time equivalent job in the tourism sector in the East Midlands is £27,183<sup>13</sup>. Off-site visitor expenditure by the trust's audience supports approximately £5.9m of GVA in the economy as set out in Table 2.15 below.

<sup>9</sup> Annual Business Survey and Business Register & Employment Survey, ONS, 2019 data

<sup>10</sup> Defined as accommodation and food services.

<sup>11</sup> Additionality Guide, 4<sup>th</sup> Edition, Homes and Communities Agency, 2014

<sup>12</sup> Annual Business Survey and Business Register & Employment Survey, ONS, 2018 data

<sup>13</sup> Defined as accommodation and food services.



Table 2.15: GVA from off-site visitor expenditure	
Off-site visitor expenditure employment (FTE)	157
Induced employment (FTE)	60
<b>Total FTE jobs from off-site visitor expenditure</b>	<b>217</b>
GVA per FTE job in tourism in East Midlands	£27,183
<b>Total GVA</b>	<b>£5,898,711</b>

Source: High Peak Theatre Trust data and AMION analysis

Since most of the visitor activity would take place in Buxton itself (e.g. a pre-show meal or after-show drinks or a hotel), it is assumed that all of the GVA from offsite visitor expenditure accrues in Buxton.

Table 2.16: Distribution of GVA from off-site visitor expenditure			
	High Peak	Derbyshire	UK
FTE jobs	217	217	217
GVA impact	£5,898,711	£5,898,711	£5,898,711

Source: High Peak Theatre Trust data and AMION analysis

## 2.6 Summary of economic impact

By examining direct onsite employment, supply chain expenditure, visitor expenditure and accounting for induced employment, the High Peak Theatre Trust has a significant **economic impact** generating £11.24m in GVA and supporting 323 full time equivalent jobs.

It is estimated that the trust supports 323 full time equivalent jobs in the economy. 282 of these full-time jobs are estimated to be taken by High Peak residents.

Table 2.17: Employment impacts			
	High Peak	Derbyshire	UK
On-site direct employment (FTE)	31	32	36
Supply chain employment (FTE)	6	6	29
Visitor expenditure employment (FTE)	157	157	157
Induced employment (FTE)	88	90	101
<b>Total FTE jobs</b>	<b>282</b>	<b>285</b>	<b>323</b>

Source: High Peak Theatre Trust data and AMION analysis

In terms of GVA, it is estimated that High Peak Theatre Trust generates £11.24m per annum with £9.46m of this captured within High Peak district.

<b>Table 2.18: GVA impact</b>			
	<b>High Peak</b>	<b>Derbyshire</b>	<b>UK</b>
GVA from direct employment	£1,767,000	£1,824,000	£2,052,000
GVA from supply chain employment	£236,310	£236,310	£1,142,165
GVA from visitor expenditure employment	£4,267,731	£4,267,731	£4,267,731
GVA from induced employment	£3,191,750	£3,288,135	£3,774,215
<b>Total GVA impact</b>	<b>£9,462,791</b>	<b>£9,616,176</b>	<b>£11,236,111</b>

*Source: High Peak Theatre Trust data and AMION analysis*

## 3 Baseline social value

### 3.1 Overview

In addition to High Peak Theatre Trust’s economic impact from employment, supply chain and visitors, it **creates value for society and local communities** in other ways. As is now widely recognised, engagement with culture and the arts can lead to health benefits, education benefits and social benefits. Therefore, the true (quantifiable) value of the trust goes beyond its economic impacts and incorporates the **social value** of engaging with the arts.

This section specifically aims to quantify the monetary value of the trust’s social impacts and draws on the approach adopted by DCMS in its 2014 report<sup>14</sup> and updated in 2015<sup>15</sup> which looked at how engagement and participation in arts and culture can have social impact in four different areas:

- economy (dealt with in the preceding section of this report);
- health;
- education; and
- civic participation.

Specifically, the DCMS approach aims to assign monetary value to people’s engagement with culture in each of the four areas above

### 3.2 Health and wellbeing benefits

Attending the theatre and participating in cultural activity is now commonly associated with good health and positive wellbeing.

A study for Scottish Government in 2013<sup>16</sup> suggested that those who attend the theatre were almost 25% more likely to report good health than those who do not whilst those that actually participate in creative or cultural activity were 38% more likely to report good health compared to those who did not. A number of other studies have also looked at the health impacts of engaging with culture and a consistent limitation/weakness is the ability to assign causality – to what extent is good health directly attributable to a particular engagement with culture or the arts? The DCMS work of 2014 and 2015 deals with this by adjusting for some of the main determinants of health outcomes (e.g. age, education, income etc.). This allows for more reliable causality/attribution and by extension, a more accurate monetary value can be assigned to people’s participation in arts and culture

The 2015 DCMS report estimated that a person attending arts events would save the NHS £11.91 per annum as a result of being in better health and specifically as a result of attending arts events. This would suggest that the High Peak Theatre Trust’s activity could be responsible c.£1.7m of cost

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<sup>14</sup> Quantifying the Social Impacts of Culture and Sport, Department of Culture Media and Sport, 2014

<sup>15</sup> Further analysis to value the health and educational benefits of sport and culture, DCMS, 2015

<sup>16</sup> Healthy Attendance: The Impact of Cultural Engagement and Sports Participation on Health and Satisfaction with life in Scotland 2013

savings in the NHS each year which is outlined in Table 3.1. Adjustments have been made to attendance figures to estimate the number of individuals and to avoid double counting those who attend more than one show per annum.

<b>Table 3.1: Estimated savings to NHS</b>				
	<b>Attendance</b>	<b>Individuals</b>	<b>Saving per individual</b>	<b>Total annual cost saving</b>
Show attendance – average 2017/18 to 2019/20	199,276	142,701	£11.91	£1,699,569
Creative Engagement participation – average 2017/18 to 2019/20		914	£11.91	£10,886
<b>Total</b>				<b>£1,710,455</b>

Source: High Peak Theatre Trust data and AMION analysis

The local and sub-regional impacts are set out in Table 3.2 below based on the postcode analysis of the trust’s audience and participants.

20% of the £1.8m annual NHS savings are likely to accrue in High Peak and 35% in Derbyshire.

<b>Table 3.2: Distribution of NHS savings per annum</b>			
	<b>High Peak</b>	<b>Derbyshire</b>	<b>UK</b>
Estimated NHS cost savings per annum	£345,509	£603,089	£1,710,455

Source: High Peak Theatre Trust data and AMION analysis

Add testimonial from an adult participant here

### 3.3 Education benefits

Attending the theatre and participating in cultural activity is widely associated with improved educational attainment which in the longer run is associated with higher earnings later in life and greater tax receipts and social contributions for society.

The DCMS studies of 2014 and 2015 examined the propensity of those who engage with culture and arts to go on to further and higher education and adjusted for the main determinants of educational attainment (e.g. household income, previous education, age, gender etc.). The studies established that participation in arts does indeed lead to a higher likelihood of progressing on with further and higher education after allowing for all other influencing factors.

Taking this causality and attribution into account, the study estimates that the total net benefit of a child or young person engaging with the arts is £3,170.74 per person (over their lifetime). This figure was based on 2009 prices (although the research was published in 2015) and as such should be updated to account for inflation - £4,350.

It would be unreasonable to assign this level of benefit to every single child or young person who simply attends a show. As such, we have applied the benefit only to those children and young

people who engage with the Opera House as participants which includes workshops, the youth theatre companies, the choir, the panto chorus and the Making Space programme.

In the three years between 2017/18 and 2019/20, an average of 914 children/young people regularly attended participatory programmes at the Opera. This would suggest that the trust’s activity could be responsible for almost £4m of benefits per annum. However, since the figure is attributable to each individual and the children generally stay with the youth theatre for a number of years, it is sensible to divide the total figure by the number of years that a child is engaged with the group. It is assumed that a child or young person stays with the Opera House’s programmes for around three years.

Therefore, it is estimated that as a result of its work with children and young people, the educational benefits derived amounts to £1,325,300 every three years.

<b>Table 3.3: Estimated education benefits</b>				
	<b>Number of people</b>	<b>Benefit per individual</b>	<b>Total education benefit</b>	<b>Equivalent annual figure</b>
Total number of children and young people regularly taking part in creative activity	914	£4,350	£3,975,900	£1,325,300

Source: High Peak Theatre Trust data and AMION analysis

The local and sub-regional impacts are set out in Table 3.4 showing that almost 80% of the education benefits are likely to accrue in High Peak.

<b>Table 3.4: Distribution of education benefits</b>			
	<b>High Peak</b>	<b>Derbyshire</b>	<b>UK</b>
Estimated education benefits per annum	£1,047,840	£1,060,240	£1,325,300

Source: High Peak Theatre Trust data and AMION analysis

Add testimonial from an young person participant here

### 3.4 Societal benefits

There are numerous studies which provide strong evidence that participation in the arts can contribute to community cohesion, reduce social exclusion and isolation, and make communities feel safer and stronger. Those that engage with the arts are more likely to volunteer in their communities and more likely to vote in elections and participate in civic society. Those engaging with the arts are also more likely to donate to charity. However, despite a wealth of evidence that links the propensity of those engaged with the arts to become better citizens, there is little research into the monetary impact of this. Most research focuses on quantifying the monetary value of volunteering which is the approach taken here.

The trust has between 130 and 190 active volunteer hours who commit around 31,000 hours of labour in a typical year in both front of house and backstage roles (but mainly front of house).

The method of valuing volunteers involves an assessment of what it would cost if the volunteer hours were covered by paid labour. The hourly rates are taken from the ONS's Annual Survey of Hours and Earnings and relates to the mean hourly rate in the East Midlands for customer service occupations. The average annual value of regular volunteers is £364,104.

Table 3.5: Impact of regular volunteers	
	2019/20
Regular volunteers	130
Hours per annum	31,200
Equivalent rate per hour	£11.67
<b>Value of regular volunteers</b>	<b>£364,104</b>

Source: High Peak Theatre Trust data and AMION analysis

In addition, the board of 10 trustees are all from professional backgrounds and donate their time voluntarily. On average, the trustees commit 15-20 hours per month. The same method of valuing volunteers applies to trustees whereby an assessment of what it would cost to pay trustees is made. The mean hourly rate for managers, directors and senior officials in the East Midlands in 2019 was £22.07 according to the ONS's Annual Survey of Hours and Earnings. The average annual value of the volunteer trustee board therefore is £52,968 and the **total value of volunteers is estimated to be £417,072 per annum.**

The local and sub-regional impacts are set out in Table 3.6 below showing that 86% of the £370,725 annual volunteer impact is likely to accrue in High Peak.

Table 3.6: Distribution volunteer impact			
	High Peak	Derbyshire	UK
Estimated volunteer impact per annum	£359,677	£371,156	£417,072

Source: High Peak Theatre Trust data and AMION analysis

Add testimonial from a volunteer here

### 3.5 Summary of social value

Drawing on existing research and literature and applying this to the High Peak Theatre Trust suggests that the organisation has a social impact of £3.45m per annum through health, education and volunteering which is in addition to the significant economic impact set out in previous sections. 59% of this social value is captured within Derbyshire and 50% in High Peak.

<b>Table 3.7: Summary of social value</b>			
	<b>High Peak</b>	<b>Derbyshire</b>	<b>UK</b>
Estimated NHS cost savings per annum	£345,509	£603,089	£1,710,455
Estimated education benefits per annum	£1,047,840	£1,060,240	£1,325,300
Estimated volunteer impact per annum	£359,677	£371,156	£417,072
<b>Total estimated social impact</b>	<b>£1,753,026</b>	<b>£2,034,485</b>	<b>£3,452,827</b>

*Source: High Peak Theatre Trust data and AMION analysis*

## 4 Wider impact and activity

### 4.1 Enhancing Buxton as a destination

Local authorities across the UK recognise the importance of a **thriving cultural scene**. They do this because they recognise that arts and culture help to **attract tourists and visitors** and helps to create and sustain employment but also because arts and culture creates a **more vibrant place** in which to live thereby **encouraging investment and business**. There is also evidence to support the assertion that participation in arts and culture can improve well-being through health, happiness and employability.

Discussion with a number of local stakeholders confirms that this is certainly the case with the Opera House within Buxton. However, there was a general consensus (which is shared by the trustees) that the Opera House could achieve so much more.

**Alison Foote, Derbyshire County Council**

“Derbyshire has a world class tourism offer which includes the Peak District National Park and within that, Buxton is a key cultural hub. Buxton Opera House is a beautiful building and an amazing venue that is doing some great things such as the opera programme. However, there is a recognition that the venue could do so much more in terms of co-production, partnerships, bigger shows which in turn could attract a wider a more diverse audience both locally and from further afield. Investment in the Opera House could also act as a cultural catalyst in Buxton which could help to fuel the creative supply chain benefiting local artists and young creatives.”

Other heritage assets within Buxton have benefitted from investment in recent years including the Crescent and the Dome whilst the local authority is planning a major investment into the Springs shopping centre. The investment in modernizing the Opera House is a key project which will play a big part in the **regeneration ambition** for Buxton town centre and should have a catalytic effect making Buxton a more attractive place for private investment and development.

**Stephen Owen, CEO, Buxton Crescent Heritage Trust**

Following completion of the redevelopment and restoration of The Crescent, Natural Baths and Pump Room, the Buxton Crescent Heritage Trust is responsible for the long-term preservation of the Crescent buildings and for running the visitor experience which celebrates the town’s rich spa heritage, fascinating Crescent characters and the major restoration and renaissance of the Crescent. As well as programming a year round events programme at the Pump Room and beyond, the Trust organises learning visits for schools and groups in partnership with Buxton Museum and Art Gallery and other local organisations.

“We share an aspiration with Buxton Opera House to bring a broad cross-section of visitors to Buxton and to provide a rich cultural experience for all. People really love and treasure the Opera House but people want it to be better than it currently and I would welcome the board’s aspiration to widen the audience reach as well as make the venue more open to the community. Bigger shows with longer runs would also enhance the tourism appeal of Buxton. The launch



night of Platform 3 (the new learning and engagement initiative) was indicative of what the future could hold for the Opera House.”

## 4.2 Engagement and participation

In addition to presenting drama, music, comedy and dance, the trust provides a number of **participation opportunities** for children, young people and adults. Platform 3 is the new Learning and Engagement initiative managed by Buxton Opera House and Buxton International Festival and was launched in September 2021. Platform 3 will provide exciting new opportunities for young people, schools and communities to take part in performing arts activities and projects across Buxton, the High Peak and beyond.

- **Young Company** - youth theatre group for anyone aged 5-17 with an interest in drama. Young Company provides a creative hub for young people where they can experiment, develop and fine tune their creative skills in both performance and production, in a safe and supportive environment, with the full support of a professional team. Each week members develop their performance skills through physical theatre, script work and improvisation and the groups perform regularly to family and friends. Young Company members get to meet the cast from touring companies and work with theatre professionals throughout the year. By working with professionals, they acquire technical skills that are transferable to other occupations. In addition, the experience in Young Company helps to build life skills such as self-confidence, health movement, memory training, social skills, teamwork etc. 50 children and young people were involved with the young company in 2019/20 with each individual spending around 120 hours per annum participating.
- **School holiday provision** – the trust offers a range of activities, classes and workshops for children, young people and their families during school holidays.
- **Community productions** – the trust produces a number of community production which have open auditions that are specifically targeted at local people. There were three such productions in 2019/20 and 81 local people were involved overall.
- **Contemporary Youth Dance Company** - performance-based group for dancers aged 12-17. Unlike a weekly dance class, the group meets on specific dates throughout the year to create and rehearse performances for key events in the Platform 3 programme. Each project starts with an intensive day of devising, where participants work alongside the choreographer to create a piece of dance ready for performance which is followed by several after-school rehearsals before the event.
- **Making Space** - a showcase of young dance talent from the local area. Students from primary, secondary and private dance schools in Derbyshire get an opportunity to perform on the Opera House stage to a sold-out audience. Each school presents a unique piece of choreography. In 2019/20, 200 children were involved.
- **Kaleidoscope Community Choir** – adult choir which meets weekly to sing choral classics, hymns, pop and folk. The choir holds a number of public performances each year including Buxton Festival Fringe, Buxton International Festival Friends Events, Christmas concerts and other community events. Around 30 people attend each week.

Add collection of short testimonial comment here from across the creative engagement programme

## 4.3 Delivering for public sector partners

### 4.3.1 *High Peak Borough Council*

High Peak Borough Council’s 4-year Corporate Plan was adopted in October 2019 and articulates the Council’s Vision for 2019 to 2023.

The project to invest in a modernisation of the Opera House and significantly expand its reach and impact aligns perfectly with much of what the council is aiming to achieve including:

- Provision of high-quality leisure facilities.
- Working with others to address health inequality, food and fuel poverty, mental health and loneliness.
- Effective provision of high-quality public amenities, clean streets and environmental health.
- More effective use of Council assets to benefit our communities.
- Effective procurement with a focus on local businesses.
- Encouraging business start-ups and enterprises.
- Work to create flourishing town centres and thriving high streets that support the local economy.
- Promote tourism to maximise local benefit.
- High quality development and building control with an “open for business” approach.
- Working to support existing local businesses, both large and small across the High Peak as they respond to future challenges.
- Supporting the development of innovative green jobs and business across the High Peak.

### 4.3.2 *Derbyshire County Council*

The project to modernise the Opera House can also play a role in helping Derbyshire County Council to achieve its ambitions as set out in its corporate plan for 2021 – 2025 which aims to have:

- Resilient, thriving and green communities which share responsibility for improving their areas and supporting each other.
- Happy, safe and healthy people, with solid networks of support, who feel in control of their personal circumstances and aspirations.
- A strong, diverse and clean economy which makes the most of Derbyshire's rich assets and provides meaningful opportunities for local people to achieve their full potential.

- Great places to live, work and visit with high performing schools, diverse cultural opportunities, transport connections that keep things moving and a healthy and sustainable environment for all.
- High quality public services that work together alongside communities to deliver services that meet people’s needs.

#### 4.3.3 *Arts Council England*

The High Peak Theatre Trust is not a National Portfolio Organisation (NPO) of the Arts Council but did receive several tranches of Cultural Recovery Funding during the pandemic. The Arts Council could be a potential funder in future and the trust is clearly well aligned with the strategic objectives of Arts Council England.

The 10-year Arts Council Strategy (Let’s Create 2020 – 2030) recognises and seeks to build on the role that creativity and culture can play in supporting local economies, talent, health, wellbeing, children and young people. Over the next ten years, the strategy envisions England as “a country in which the creativity of each of us is valued and given the chance to flourish, and where every one of us has access to a remarkable range of high-quality cultural experiences”.

The strategy centres around three outcomes which the Arts Council seeks to deliver over the next decade:

1. Creative People: Everyone can develop and express creativity throughout their life.
2. Cultural Communities: Villages, towns and cities thrive through a collaborative approach to culture.
3. A creative and cultural country: England’s cultural sector is innovative, collaborative and international.

The strategy acknowledges the challenges of engagement and participation such as inequality of wealth and of opportunity, social isolation and mental ill-health. Across England, there are still widespread socio-economic and geographic variances in levels of engagement with publicly funded culture, the opportunities for children and young people to experience creativity and culture inside and outside school are not equal across the and there remains a persistent and widespread lack of diversity across the creative industries and in publicly funded cultural organisations.

However, the strategy makes the case for investing in cultural buildings to drive local economic regeneration such as Buxton’s Opera House. As part of the vision to create cultural communities, the Arts Council England strategy, in its role as the national development agency for creativity and culture, emphasises the role of cultural assets such as theatre in building and sustaining communities. The strategy highlights the importance of investment in cultural assets and activities, to improve lives, regenerate neighbourhoods, support local economies, attract visitors and bring people together. The strategy highlights the benefits of investment in creativity and culture can deliver including broad social benefits, through the skills they offer to young people and workers, the economic growth they generate, and the part they play in building healthy, close-knit communities.

## 5 The proposed project

### 5.1 Current limitations of the building

The feasibility study undertaken by Bennetts on behalf of the trust in 2019 sets out a comprehensive list of limitations of the Opera House:

- The existing flytower retains much of its original Edwardian stage equipment which causes serious operational issues and makes touring into the venue very difficult, limiting the ability of the Opera House to attract and produce productions with more strenuous technical requirements. The setup also presents serious health and safety issues which need to be resolved.
- The stage is raked and uneven causing serious operational issues and makes touring into the venue difficult and dance virtually impossible.
- The stage right wing is blocked by the orchestra pit and stage fire escape.
- When not in use, the orchestra pit is covered with an apron stage which has poor sightlines from some of the higher seats.
- There are only 2 wheelchair positions, which are both at the back of the stalls, and have poor sightlines.
- The capacity of 901 is slightly lower than it needs to be to attract larger touring productions profitably – capacity of 1,000 would be desirable.
- Stage access and lay off space is currently very poor for a touring venue, requiring set modifications and much reduced productions on-stage. No wheelchair access to stage from dressing rooms and back of house facilities.
- Backstage facilities are inadequate for a touring venue and are off-putting to potential users/touring companies with an insufficient number of shower and WC facilities, which are of poor quality and do not include accessible facilities.
- No creation / rehearsal / warm-up space for artists.
- No educational space for engaging with local community.
- Front of house has poor circulation and very poor customer facilities dating from the Edwardian era. WC provision is inadequate for a 900-seat theatre, especially in regard to ladies WCs.
- Step-free access is via a narrow side entrance and only provides access to stalls level.
- There is no public lift serving any of the levels.
- The box office is not accessible.
- The bar provision across the Opera House is insufficient, detracting from the visitor experience and limiting the potential to generate additional revenue. Currently none of the

bars are accessible, with anyone in a wheelchair unable to even enter the room. Stalls bar in particular is far too small for the number of people it serves.

- It's not currently feasible for any of the bars to provide a daytime offer which would have the potential to generate revenue outside of performances.
- Poor ventilation within the auditorium detracts from the visitor experience with the auditorium often overheating with a poor supply of fresh air, especially during peak periods such as the festival during the summer.

## 5.2 Capital project proposals

To overcome the limitations set out above, the modernisation of the Opera House is likely to require significant capital investment which will enable the trust to:

- Move to more of a mixed model of presenting and co-production featuring work of the highest artistic quality and production standards using the latest technology.
- Develop a reputation as an incubator of new work and provide a platform for new talent, local artists and innovative touring companies.
- Develop and diversify audiences to the Opera House attracting new visitors to Buxton.
- Maintain an entrepreneurial approach and continue to be a commercially sustainable charity by increasing audience numbers, ticket sales and other income.
- Expand participation in community engagement, outreach and learning activity will also increase.

Although the design development work is still ongoing, the work undertaken to date (by Plann Limited) proposes a number of interventions that would:

- provide step free access between the stage door, dressing rooms, facilities, wardrobe, stage and orchestra pit;
- increase the number of dressing stations, shower and WC facilities including the creation of accessible facilities;
- provide a large, versatile space that can serve as a creation, rehearsal, and warm-up space, which should be able to accommodate dance and be used as a learning and community space;
- improve get-in access from Water Street, especially in regard to space for unloading, storage and mediating the level difference down to stage;
- upgrade the flying system to either a counterweight or power flying system, that can meet health and safety standards and improve flying capacity;
- improve access within the flytower, including to fly floor level;
- minimise the impact on the Buxton skyline;
- flatten the stage, including the 'ski jump', to create a more versatile stage (a temporary rake can be constructed for performances if required);

- reconfigure orchestra pit access to remove escape stair blocking the right wing;
- increase the number of wheelchair positions;
- increase seating capacity;
- increase and improve customer WC provision which is woefully inadequate at present and would bring the provision up to an acceptable level for the capacity of the theatre;
- provide level access into the building, ideally through the main entrance;
- provide an accessible box office;
- introduce a front of house lift to as many levels as possible;
- provide a bar that is accessible to wheelchair users;
- increase bar provision, especially around stalls level;
- identify opportunities for a bar space that could provide an all-day offer including to those not visiting the Opera House;
- improve ventilation within the auditorium; and
- minimise impact of any changes on the historic building fabric, the historic auditorium interior and other areas of historic importance.

### 5.3 Project costs

Plann Limited were appointed in October 2021 to review the 2019 Bennetts feasibility study and recommend how to move the project forwards. As part of their work, Plann commissioned Gardiner and Theobald to provide a new cost plan for the project.

The total project is estimated to cost around £12m which includes design development, construction, preliminaries, contractor overheads, inflation, contingency, design team fees, surveys, planning, furniture, fitting and equipment, consultancy, seating, fit-out and decant.

The current plan could see the modernisation project completed by the summer of 2026.

## 6 Value for money – return on investment

### 6.1 Overview

In terms of economic and social impact, a successful project to modernise the Opera House will see an increase in overall attendance, commercial income and on-site activity which in turn will:

- increase on-site direct employment creating more jobs for local people;
- increase the amount that the trust spends with suppliers of goods and services which will create more employment in the supply chain;
- increase the amount that the trust spends with visiting companies, artists, agents, promoters and co-producers which create more employment in the cultural and entertainment sector;
- increase the number of visitors to Buxton who will spend money in local businesses which create more jobs in Buxton;
- create more learning, participation, engagement and volunteering opportunities for local people which will have positive impacts on health, wellbeing and education; and
- further enhance and improve Buxton’s reputation and image as a place to live, work, visit and invest.

There are also temporary impacts that will arise out of the construction project which include contracting and supply chain opportunities for local businesses, temporary construction jobs and apprenticeship opportunities.

### 6.2 Baseline assessment

Section 2 of this report sets out our estimate that the High Peak Theatre Trust generates £11.24m of gross GVA every year whilst Section 3 estimates that £3.41m of social value is created every year. This combined economic and social impact of £14.65m is very significant.

The trust generates the vast majority of its income from ticket sales, hire fees, box office fees and bar sales. Just 2% of income (in a typical year<sup>17</sup>) comes from the public sector which is just under £50,000 from High Peak Council each year.

At the High Peak level, it is estimated that £11.17m of economic and social impact is generated each year (£9.46m GVA and £1.71m of social impact) which means that for every £1 provided by High Peak Council in annual revenue funding, £223 is generated in GVA and social impact in High Peak. This impact is generated by directly employing people, supporting the international festival, spending money with local suppliers, attracting visitors to Buxton and helping to improve people’s health and wellbeing.

The following section explores the potential future impacts that would materialize as a result of a major overhaul of the venue. The estimated costs of the project are set against the future potential benefits to estimate the return on any public sector investment.

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<sup>17</sup> The trust benefited from the Government’s Cultural Recovery Fund in 2020/21 via Arts Council England

### 6.3 Assessment of future benefits

At this stage, the trust has not yet developed a business plan for the future Opera House. For the purpose of this exercise, AMION has modelled three scenarios:

- Low scenario – total annual attendance increases by 10%
- Medium scenario – total annual attendance increases by 20%
- High scenario – total annual attendance increases by 30%

In each case, it has been assumed that ticket yields remain in line with 2019/20 but the bar sales per visitor double from £1.82 in 2019/20 to £3.64 as a result of the proposals to expand bar capacity. It is assumed that staff and operating costs increase in proportion with total sales. It is also assumed that the number of volunteer hours increases in line with attendance. The number of participants involved in learning and engagement increase by 30% from 914 to 1,188 as a result of the proposed new flexible studio space.

The additional potential employment impacts are set out in Table 6.1 which shows that the Opera House modernisation project could create between 26 and 73 additional full time equivalent jobs (between 23 and 64 in High Peak).

The medium scenario would create 50 additional full time jobs (44 in High Peak).

<b>Table 6.1: Employment impacts</b>				
	<b>Current impact</b>	<b>Future low scenario</b>	<b>Future medium scenario</b>	<b>Future high scenario</b>
On-site direct employment (FTE)	36	43	45	47
Supply chain employment (FTE)	29	32	35	37
Visitor expenditure employment (FTE)	157	164	175	187
Induced employment (FTE)	101	110	118	125
<b>Total FTE jobs</b>	<b>323</b>	<b>349</b>	<b>373</b>	<b>396</b>
<b>Total FTE jobs within High Peak</b>	<b>282</b>	<b>305</b>	<b>326</b>	<b>346</b>

Source: High Peak Theatre Trust data and AMION analysis

The additional potential GVA impacts are set out in Table 6.2 which shows that the Opera House modernisation project could create additional GVA per annum of between £1.14m and £2.69m (£0.96m and £2.27m in High Peak).

The medium scenario would create £1.96m of additional GVA per annum (£1.65m in High Peak).



<b>Table 6.2: GVA impacts</b>				
	<b>Current impact</b>	<b>Future low scenario</b>	<b>Future medium scenario</b>	<b>Future high scenario</b>
GVA from direct employment	£2,052,000	£2,451,000	£2,565,000	£2,679,000
GVA from supply chain employment	£1,142,165	£1,260,320	£1,378,475	£1,457,245
GVA from visitor expenditure employment	£4,267,731	£4,458,012	£4,757,025	£5,083,221
GVA from induced employment	£3,774,215	£4,209,966	£4,499,266	£4,706,746
<b>Total GVA impact</b>	<b>£11,236,111</b>	<b>£12,379,298</b>	<b>£13,199,766</b>	<b>£13,926,212</b>
<b>Total GVA within High Peak</b>	<b>£9,462,791</b>	<b>£10,425,556</b>	<b>£11,116,536</b>	<b>£11,728,331</b>

Source: High Peak Theatre Trust data and AMION analysis

The additional potential social value impacts are set out in Table 6.3 which shows that the Opera House modernisation project could create additional social value of between £0.47m and £0.81m (£0.24m and £0.41m in High Peak).

The medium scenario would create £0.64m of additional social value per annum (£0.32m in High Peak).

<b>Table 6.3: Summary of social value</b>				
	<b>Current impact</b>	<b>Future low scenario</b>	<b>Future medium scenario</b>	<b>Future high scenario</b>
Estimated NHS cost savings per annum	£1,710,455	£1,855,474	£1,988,801	£2,122,129
Estimated education benefits per annum	£1,325,300	£1,621,200	£1,621,200	£1,621,200
Estimated volunteer impact per annum	£417,072	£450,585	£491,548	£532,510
<b>Total social value</b>	<b>£3,452,827</b>	<b>£3,927,259</b>	<b>£4,101,549</b>	<b>£4,275,839</b>
<b>Total social value within High Peak</b>	<b>£1,753,026</b>	<b>£1,974,948</b>	<b>£2,062,595</b>	<b>£2,150,242</b>

Source: High Peak Theatre Trust data and AMION analysis

## 6.4 Benefit cost ratio

The construction project will create temporary employment and GVA in the economy and research undertaken for the Homes and Communities Agency in 2015<sup>18</sup> suggests that for every £1m spent on the construction of public non-housing projects, 10.7 workers would be employed full time for the equivalent of one year. At £12m, the construction project should create the equivalent of **128 full time jobs** for one year.

<sup>18</sup> HCA, Calculating Cost Per Job: Best Practice Note, 2015 – Construction Labour Co-efficients

Analysis of ONS data<sup>19</sup> suggests that GVA per full time equivalent job in the construction sector in the East Midlands is £79,458 which in turn would suggest that the construction project could have a temporary GVA impact of £10.17m across the economy. The impact within High Peak will depend upon the extent to which local suppliers are engaged.

In addition to the temporary employment and GVA that will be created as a result of the construction project, the project also creates more permanent economic and social impacts as set out in section 6.3 above.

In the medium scenario (whereby attendance increases by 20%), it is estimated that the Opera House could **generate an additional £2.6m of impact every year** (£1.96m of additional GVA and £0.64m of additional social value).

To assess the benefit cost ratio (return on investment) of a potential £12m publicly funded project, the net present value of the additional economic and social benefits that will accrue are assessed over a 20-year period (using a discount rate of 3.5%) and set against the costs.

It is crucial to assume within this calculation that without any investment, the Opera House would see a gradual decline in its audience and economic impact over the next 20 years. It is difficult to predict exactly how this might happen but since the benefits of the project are considered over 20 years (below), it is necessary to consider the reference case over 20 years and as such 2% decline per annum has been assumed.

In the medium scenario, the total economic and social benefits arising in the economy over the next 20 years as a result of the redevelopment project are estimated to have a **net present value of £239.0m compared to £176.9m if the project does not go ahead** and assuming that the theatre’s impact declines gradually by 2% (the reality may well be much more accelerated).

This £62.1m of additional impact over 20 years will come at a cost of £12m which would represent a **benefit cost ratio of £5.17 : £1.00** which represents **excellent value for money in the public sector and especially so within the arts and cultural sector.**

<b>Table 6.4: Benefit cost ratio</b>			
	<b>Future low scenario</b>	<b>Future medium scenario</b>	<b>Future high scenario</b>
Capital costs	£12m	£12m	£12m
25-year net present value of benefits (after subtracting £176.9m of reference case benefits)	£48.92	£62.10m	£74.03m
<b>Benefit cost ratio (BCR)</b>	<b>£4.08 : £1.00</b>	<b>£5.17 : £1.00</b>	<b>£6.17 : £1.00</b>

<sup>19</sup> Annual Business Survey and Business Register & Employment Survey, ONS, 2019 data

## 7 Summary

Buxton Opera House is an exquisitely beautiful Edwardian theatre and one of the country's finest examples of Frank Matcham theatre design. Benefitting from major restoration in the 1970s and the 1990s, the 901-seat Opera House is considered to be a wonderfully preserved heritage asset and occupies a landmark location within Buxton.

However, the theatre falls short of the modern standards expected by both customers and visiting companies/artists. Access and participation are severely limited due to the inadequate facilities and many modern productions simply cannot be accommodated. As such, trustees of the High Peak Theatre Trust recognise that they must investigate how the theatre can be modernised to secure its long term future.

In addition to a physical modernisation project, the trust is also re-assessing its vision and strategic objectives. The trustees recognise that the physical limitations of the building constrain what can be achieved in terms of creative output, participation, learning, co-production, community work and talent development. In broad terms, the High Peak Theatre Trust wishes to use the modernisation project to:

- Move to more of a mixed model of presenting and co-production featuring work of the highest artistic quality and production standards using the latest technology.
- Develop a reputation as an incubator of new work and provide a platform for new talent, local artists and innovative touring companies.
- Develop and diversify audiences to the Opera House attracting new visitors to Buxton.
- Maintain an entrepreneurial approach and continue to be a commercially sustainable charity by increasing audience numbers, ticket sales and other income.
- Expand participation in community engagement, outreach and learning activity will also increase.

As a charity, the trust will need to assemble a package of funding and as such will be required to demonstrate value for money and return on investment particularly if public sector funding is part of the mix. Design development work is ongoing but the cost of the project is likely to be in the order of £12m.

By examining direct onsite employment, supply chain expenditure, visitor expenditure and accounting for induced employment, the High Peak Theatre Trust has a significant **economic impact** generating £11.24m of GVA per annum (£9.46m in High Peak) and supporting 323 full time equivalent jobs (282 in High Peak). In terms of social value, the organisation has a social impact of £3.45m per annum through health, education and volunteering with 59% of this captured within Derbyshire and 50% in High Peak.

Table 7.1: Economic and social impacts (baseline)			
	High Peak	Derbyshire	UK
Total FTE employment	282	285	323
Total GVA per annum	£9.46m	£9.62m	£11.24m

Total social impact per annum	£1.75m	£2.03m	£3.45m
Total economic and social impact p/a	£11.21m	£11.65m	£14.69m

The proposed modernisation project will lead to an increase in overall attendance, commercial income and on-site activity which in turn will:

- increase on-site direct employment creating more jobs for local people;
- increase the amount that the trust spends with suppliers of goods and services which will create more employment in the supply chain;
- increase the amount that the trust spends with visiting companies, artists, agents, promoters and co-producers which create more employment in the cultural and entertainment sector;
- increase the number of visitors to Buxton who will spend money in local businesses which create more jobs in Buxton;
- create more learning, participation, engagement and volunteering opportunities for local people which will have positive impacts on health, wellbeing and education; and
- further enhance and improve Buxton's reputation and image as a place to live, work, visit and invest.

The Opera House modernisation project **could create between 26 and 73 additional full time equivalent jobs** (between 23 and 64 in High Peak) which would create **an additional £1.14m to £2.69m of GVA per annum** (£0.97m to £2.27m in High Peak) whilst **£0.47m to £0.81m of additional social value** would be created per annum (£0.24m to £0.41m in High Peak).

<b>Table 7.2: Future potential impact</b>				
	<b>Current impact</b>	<b>Future low scenario</b>	<b>Future medium scenario</b>	<b>Future high scenario</b>
Total FTE jobs	323	349	373	396
Total GVA impact per annum	£11.24m	£12.38m	£13.20m	£13.93m
Total social value per annum	£3.45m	£3.93m	£4.10m	£4.28m
<b>Total impact p/a</b>	<b>£14.69m</b>	<b>£16.31m</b>	<b>£17.30m</b>	<b>£18.21m</b>
<i>Total FTE jobs within High Peak</i>	<i>282</i>	<i>305</i>	<i>326</i>	<i>346</i>
<i>Total GVA per annum within High Peak</i>	<i>£9.46m</i>	<i>£10.43m</i>	<i>£11.12m</i>	<i>£11.73m</i>
<i>Total social value p/a in High Peak</i>	<i>£1.75m</i>	<i>£1.97m</i>	<i>£2.06m</i>	<i>£2.15m</i>
<b>Total impact p/a in High Peak</b>	<b>£11.21m</b>	<b>£12.40m</b>	<b>£13.18m</b>	<b>£13.85m</b>

In the medium scenario, the total economic and social benefits arising in the economy over the next 20 years as a result of the redevelopment project are estimated to have a **net present value of £239.0m compared to £176.9m if the project does not go ahead** and assuming that the theatre's impact declines gradually by 2% (the reality may well be much more accelerated).

This £62.1m of additional impact over 20 years will come at a cost of £12m which would represent a **benefit cost ratio of £5.17 : £1.00** which represents **excellent value for money in the public sector and especially so within the arts and cultural sector.**

<b>Table 7.3: Benefit cost ratio</b>			
	<b>Future low scenario</b>	<b>Future medium scenario</b>	<b>Future high scenario</b>
Capital costs	£12m	£12m	£12m
25-year net present value of benefits (after subtracting £176.9m of reference case benefits)	£48.92	£62.10m	£74.03m
<b>Benefit cost ratio (BCR)</b>	<b>£4.08 : £1.00</b>	<b>£5.17 : £1.00</b>	<b>£6.17 : £1.00</b>