

Report of the Director of City Development

Report to Executive Board

Date: 15 July 2015

Subject: West Yorkshire Playhouse

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s): City and Hunslet		
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, Access to Information Procedure Rule number: 10.4(3)		
Appendix number: 1 & 2		

Summary of main issues

Leeds is an ambitious city which has seen significant economic growth post-recession driven by strong financial, retail, legal and health sectors in particular. The success of recent capital investments in cultural venues including the First Direct Arena, Leeds Grand Theatre, Lotherton House and Chapel FM in Seacroft have emphasised the importance of continued investment in the cultural fabric of the city. In order to make a compelling proposal to be European Capital of Culture in 2023 in particular, the city needs to work to ensure the cultural infrastructure across the city is fit for purpose, that our cultural organisations are resilient and sustainable and that Leeds builds its reputation as a great place to live, to work and to visit.

With 2023 in mind, officers are considering with other partners an overarching capital investment strategy for culture in the city but in the meantime a particular opportunity has arisen to support West Yorkshire Playhouse to access external funding, principally from Arts Council England, in pursuit of both its aims and the overall aims of the Council in this regard. The Council already supports the work of the Playhouse with revenue funding via the arts@leeds grants programme. From the work done to date it is clear that without financial support from the Council an application to the Arts Council for capital funding would not be successful.

The West Yorkshire Playhouse opened at the Quarry Hill site in March 1990 when it relocated to this area as part of a major regeneration scheme. Prior to this, it was located in premises loaned to the Leeds Theatre Trust by the University of Leeds and was known as the Leeds Playhouse. The Leeds Playhouse opened in 1970 and has

been a successful theatre since this time. Like any other facility of its type, redevelopment is now required to meet audience aspirations and to ensure the Playhouse retains its place locally, nationally and internationally..

The Playhouse's vision is of a vital, porous organisation, working with and welcoming a greater range of artists, participants and audiences. The redevelopment of the building would enable the Playhouse to be develop further as an open, dynamic, engaged and generous organisation. The refurbished building would attract more people and new audiences, be a visible and striking landmark and an exciting place to be. The proposed large open democratic spaces would feel welcoming to everyone. The greater the numbers of people populating the building, the greater the increase in ticket and ancillary sales would lead to an improved long term financial resilience for the organisation. Symbolically the proposals will re-orientate the building to face the City to the west, rather than the current situation where it faces the Quarry Hill car park. These change reflects the values of the Playhouse under its new leadership of James Brining and Robin Hawkes.

The Victoria Gate development, due to open in Autumn 2016, also provides a unique opportunity to support the repositioning of the Playhouse and to create a space where people want to visit. This is felt as key to the future financial resilience of the Playhouse and being able to offer great experiences as a key part of the city's cultural offer. This newly regenerated area of the city centre will bring major increases in footfall and activity. The Victoria Gate development, which will include a John Lewis store and major shopping and leisure complex, will create a gravitational pull that brings the City Centre right to the edge of Quarry Hill with the Playhouse facing onto the city centre.

As set out in the report, the Victoria gate scheme is currently under construction and will be anchored by a full-service John Lewis Department store. This development will bring significant additional footfall to the eastgate area which is an opportunity to try and better integrate the cultural facilities at Quarry Hill with the traditional core of the City centre

Consequently, parallel to the specific proposals to regarding the Playhouse outlined in this report, it is also proposed that through the City Centre Breakthrough Project consideration is also given to how the linkages between Quarry Hill and Victoria Gate can be enhanced and the movement and experience of pedestrians improved.

Recommendations

In recognition of the contribution which the West Yorkshire Playhouse makes to the cultural well-being of the city, Executive Board is recommended to:

- i) agree in principle a contribution up to a value of £4.9m, to bridge the funding gap in the scheme, of which £586K is already in the capital programme - pending a successful application to Arts Council England.
- ii) agree that the Council will work in partnership with the Playhouse and act as lead for the management and procurement of the construction works;

- iii) subject to a successful Stage 1 application, request that the Director of City Development brings back a report on the detailed funding proposals for the scheme for injection into the capital programme
- iv) note that the Playhouse is committed to re-launching the building and organisation with a brand that will more clearly associate it with the city, upon conclusion of the development.
- v) note that the Chief Officer Culture and Sport will be responsible for the implementation of the recommendations.

1 Purpose of this report

- 1.1 To consider potential investment from the Council for the development and future sustainability of West Yorkshire Playhouse alongside an application to Arts Council England.
- 1.2 To establish the approach to any future developments in terms of a partnership with the Playhouse itself.

2 Background information

The Playhouse submitted an application to the Arts Council for the redevelopment of the Playhouse building on Quarry Hill in December 2013. The development proposed to re-orientate the theatre towards the city by creating a new glass extension and high impact entrance at ground level opposite the proposed John Lewis car park and Victoria Gate development. In addition, new performance and community spaces would be opened up under the theatre in the 'Rock Void' and a reconfiguration of the office and back of house areas would facilitate new commercial spaces and improve access. A refurbishment of the two current auditoria was also proposed with investment in both outdated theatre equipment and in the near obsolete and increasingly expensive plant and machinery of the Playhouse building itself. The extension of the public areas, opening up the brick work and increasing disabled access and routes into and through the building, were proposed to create a porous, open and welcoming destination and underpin the Playhouse's commitment to greater engagement with Leeds' communities and the city.

- 2.1 The application to ACE National Lottery was not successful. Informal feedback and formal independent assessment identified only one area of critical concern, which was the lack of robust and secure partnership funds. The Arts Council has indicated that, not only do they value the proposal for the redevelopment of the Playhouse, but that if this one critical area can be addressed it could significantly improve the chances of success in its next funding round, which opens in July 2015.
- 2.2 Following the unsuccessful Arts council application a meeting took place between the Playhouse, the (previous) Leader of the Council and the Chief Executive to discuss the way forward. Following this meeting the Director of City Development

has progressed discussions with officers with cultural, capital, legal and tax expertise to determine the best option to maximise the likelihood of a successful subsequent approach to Arts Council England.

- 2.3 During the city-wide consultation on bidding to be European Capital of Culture 2023 it was consistently recognised that Leeds is not perceived to have a strong and unique cultural identity outside of the city. It has been noted within those debates that the titular identity of the majority of major organisations does not associate them clearly with the City – i.e. they don't have Leeds in their names. The Playhouse is committed to addressing this in a relaunch that would follow any successful refurbishment.

3 Main issues

- 3.1 Leeds City Council has a track record of delivering cultural infrastructure, having managed major projects such as the Arena, Grand Theatre, Northern Ballet and City Varieties through similar arrangements, and has been chosen as the developer following the consideration of variety options.
- 3.2 A second application to the Arts Council will be submitted for the redevelopment of the building on Quarry Hill in Summer 2015. In February the Director of City Development requested a full re-costing of the scheme against the revised timetable for the works and in consideration of any change in market conditions since the initial scheme was proposed. The revised costings assume a start date of Quarter 3 2017 with completion the following Summer, with the theatre then being closed from March to Autumn 2018.
- 3.3 The initial application was for a project of £11.7m with the Arts Council contributing £5.5m of this. Following the revisions the overall cost of the scheme is now £14.1m. The cost of the overall scheme has thus increased by 21%. The Arts Council considers its percentage contribution to any scheme significant, and a new request to it of £6.6m would keep its contribution at 47%. A full breakdown of the costs is attached in the confidential appendix 1. An analysis of where the increases have arisen is at confidential Appendix 2. The increase in costs since 2013 is largely due to changes in the construction market, where there has been significant inflation as part of the recovery.
- 3.4 The feedback from audiences, city leaders and other cultural organisations is that the current building is dated, impenetrable and dull, likened to a leisure centre and even local government offices! Members of the public who pass by the building and are not familiar with the city do not know what the building is. Current spaces are not equipped or functioning to modern expectations. The building and its equipment was designed in the 1980s and since this time the environmental agenda has emerged and it is far from being cost effective to run. The undertaking of major modernisation of the building and its equipment is beyond the budgets/reserves of the Playhouse itself and running costs do need to be brought down and green efficiencies created.
- 3.5 The redevelopment of the Theatre would be at the heart of the regeneration of the east of the City, creating a landmark building and a stunning cultural destination. The investment into the cultural infrastructure will help the city set out its stall in

preparation for the bid for Capital of Culture 2023. It is important for the Playhouse to play a key role in the re-imaging of the city centre and needs a building fit for purpose to achieve these aims and in order to welcome people into the building and creating a sense of destination and excitement.

- 3.6 The redevelopment delivers on the ambition to be the Best City and great cultural buildings mark out Leeds as an ambitious, cultured city of national and international standing, putting the city in the 'Premier League'.
- 3.7 The Victoria Gate car park will be the principal car park serving the Playhouse once the Caddick development goes ahead and the current Quarry Hill car park closes; so it is imperative that the Playhouse has an entrance facing in the direction of the Victoria Gate development at ground level.
- 3.8 Ultimately the redevelopment is necessary for the survival of the Playhouse and its ability to thrive in the future. Without investment, the building and its equipment will continue to deteriorate and the Playhouse will spend more and more money on resolving and compensating for a highly inefficient building and an ageing infrastructure. Over time this will drain money from the core work of the theatre and would undermine the company's success and possibly even its survival. The redeveloped Playhouse would make a greater impact in the cultural life of the city, generating new spaces for local artists, for young people and the community and creating a vibrant creative community hub.
- 3.9 The redevelopment would allow the Playhouse to offer more towards the city's key agenda's and priorities:
 - (a) The new design could build in child and dementia friendly sensibilities underpinning the expansion in community work in these areas;
 - (b) The redevelopment would create a greener building in line with becoming a more sustainable city;
 - (c) The new design would substantially improve disabled access to the building and therefore be more welcoming to everyone;
 - (d) A striking public building increases civic pride and is important in Leeds' aspiration to be the Best City as well as European Capital of culture in 2023.
 - (e) With the new performance space in the 'Rock Void' the scheme will be adding a new element to Leeds's stock of venues which isn't currently catered for and will enable an expansion of the programme, particularly in relation to young people and the community.
- 3.10 Leeds needs to consider its competition for the European Capital of Culture title and also other core cities who are investing in quality cultural infrastructure. All the major English regional theatres have had substantial capital re-development in the last ten years with the exception of the playhouse; for example in Birmingham (Repertory Theatre), Manchester (Home), Sheffield (Crucible and Lyceum Theatres), Hull (Hull Truck) and Liverpool (Everyman & Playhouse).

3.11 The timing is right now to take forward this opportunity because:

- (a) There is a willingness and potential level of support from the Arts Council at this next submission which may not be the case in the future unless it gains secure partnership support from the local authority;
- (b) There is currently much debate around the fair distribution of funds for cultural investment between London and elsewhere. (c) The opening of the new Victoria Gate development and John Lewis in 2016 will bring thousands more people to the eastern part of Leeds City Centre. A stunning modern nationally renowned theatre would form part of this newly regenerated part of the city and would be key in presenting Leeds as an exciting place to be. Delivering a redevelopment within a similar timescale to the Victoria Gate development, and with the potential to link with new Caddick's development at Quarry Hill, will truly revitalise this end of the city.

3.12 As part of the potential reinvention of the Playhouse, the city also needs to consider if the time would also be right to rename a new look theatre the Leeds Playhouse. The benefits to the city of the Playhouse bearing the name of Leeds would be significant, as WYP is taking more and more work out on prestigious national tours, across a range of scales and building its reputation for work of excellence within the national media. The Playhouse is also becoming identified as a regional hub for the development of creative and cultural skills, as a learning and training centre and an increasingly international reputation for cutting edge community activity.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 The previous and current Leaders of the Council have been consulted on the proposals.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 An Equality Impact Screening (see Appendix 3) has been undertaken and there is no requirement for a full assessment. Improved disabled access and wider community engagement is integral to the proposals.

4.3 Council Policies and the Best Council Plan

4.3.1 Investment in the Playhouse will aid the Council's bid to become European Capital of Culture 2023. It would contribute to both a strong economy and to a compassionate city by both making Leeds a more attractive place to invest but also a better place to live. The Playhouse contributes strongly to Child friendly Leeds, most notably through its Youth theatre and First floor provision. It contributes to Leeds' ambition to be best city by 2030.

4.4 Resources and value for money

- 4.4.1 The overall costs of the scheme are currently estimated at £14.1m. This is funded by £6.6m on the basis of a revised bid to the Arts Council, £2.5m from the Playhouse (reserves and fundraising) leaving a projected funding gap of £4.9m. £586k of this has already been injected into the capital programme as part of a package of improvements to the entrance of the Playhouse.
- 4.4.2 The funding gap is likely to be further reduced as the gross spend of £14.1m includes VAT which is likely to be recoverable. The Council in its capacity as landlord is able to recover eligible construction VAT liabilities. Further work is underway to ensure that the both the joint bid to the Arts Council and the letting of the Construction contract facilitates the recoverable element of VAT, which could be up to circa £1.5m.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 It is proposed that in order to manage the redevelopment that a joint Project Board will be established with the Playhouse and that a project manager will be provided by the Council.
- 4.5.2 The information contained in Appendices 1 and 2 are exempt under Access to Information Rule 10.4(3) as they contain information relating to the financial or business affairs of a particular organisation and of the Council. It is considered that the public interest in maintaining the content of the appendices as exempt outweighs the public interest in disclosing the information due to the impact that disclosing the information would have on the Council and third parties.
- 4.5.3 The decision is eligible for Call In.

4.6 Risk Management

- 4.6.1 The joint approach will seek to ensure that the construction costs are quantified and procured in the most efficient manner and that contract oversight is in place to mitigate against potential cost overruns.
- 4.6.2 As mentioned in 4.4.2 the Council will seek to recover VAT liabilities in its capacity as landlord.
- 4.6.3 A further review of the scope of the project will be required if the full extent of the Arts Council funding does not materialise.
- 4.6.4 The Playhouse's own contribution relies upon funding raising and there remains the risk that this will not be raised or that it is not raised in time to meet the construction cost commitments. Work continues with the Playhouse to reduce this risk.

5 Conclusions

- 5.1 A contribution to the capital investment requirements of West Yorkshire Playhouse has the potential to lever significant funds from Arts Council England and to secure a resilient and sustainable future for the organisation. This in turn would contribute to the well-being of the city's residents and to Leeds' bid to be European Capital of Culture 2023.

6 Recommendations

6.1 Executive Board is recommended to

- i) agree in principle a contribution up to a value of £4.9m, to bridge the funding gap in the scheme, of which £586K is already in the capital programme - pending a successful application to Arts Council England.
- ii) agree that the Council will work in partnership with the Playhouse and act as lead for the management and procurement of the construction works;
- iii) subject to a successful Stage 1 application, request that the Director of City Development brings back a report on the detailed funding proposals for the scheme for injection into the capital programme
- iv) note that the Playhouse is committed to re-launching the building and organisation with a brand that will more clearly associate it with the city, upon conclusion of the development.
- v) note that the Chief Officer Culture and Sport will be responsible for the implementation of the recommendations.

7 Background documents¹

- 7.1 None

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.