



Report of the Chief Libraries, Arts and Heritage Officer

Executive Board

Date: 2nd September 2008

Subject: West Yorkshire Playhouse First Floor Project: Request for a Loan

Electoral Wards Affected:

Ward Members consulted
(referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In

(Details contained in the report)

EXECUTIVE SUMMARY

Purpose of this Report

- 1.1 The purpose of this report is provide details of the request made by the West Yorkshire Playhouse and to recommend approval of a loan of £160,000 to fund the First Floor project.
- 2.0 Background Information**
 - 2.1 The First Floor Project will create a dedicated space for young people in the city by refurbishing the first floor of St Peter's Building (above the Wardrobe Bar), which is owned by the West Yorkshire Playhouse. Facilities will include two large, flexible visual and performing arts workshop spaces, a reception/meeting area, office space, a green room and changing/WC facilities.
 - 2.2 This scheme will be of direct benefit to Leeds City Council, as a member of the Out of School Activities Team will be based in the venue. It will be the home base of the Arts Academy, funded by the Positive Action for Young People programme. This is an initiative based on the successful Sports Academy model.

3.0 Main Issues

- 3.1 The total capital cost of the scheme is £578,000 with an outstanding total to raise of £160,000. The current funding profile for the scheme includes: Arts Council England, Yorkshire Forward, The Linbury Trust, The Garfield Weston Foundation, The Clothworkers' Foundation, The Audrey & Stanley Burton CT, The Kenneth Hargreaves Trust, The David Morgan Rees CT, Leeds City Council's Youth Capital Fund and The Foyle Foundation. Donations are also being solicited from audiences and individuals.
- 3.2 The West Yorkshire Playhouse has approached their bank about the possibility of a loan to bridge the funding gap. However, the interest rates are judged to be prohibitive, and in the current financial climate it has been difficult to secure an alternative loan at an affordable rate.
- 3.3 There is an imperative for the West Yorkshire Playhouse to begin the building work as soon as possible due to the needs of other tenants of the building. They hope to open the building in January 2009. The project has been fully designed, traditionally tendered and CJ Ellmore has been awarded the construction contract. Detailed surveys have also been carried out on the premises.

4.0 Implications for Council Policy and Governance

- 4.1 The First Floor project has the potential to make a substantial contribution to the delivery of Leeds City Council's objectives in relation to training and employment for young people in the NEET (Not in Education, Employment or Training) category, and helps to achieve one of the Council's strategic outcomes, to increase participation in cultural opportunities through engaging with all our communities. The Arts Academy will work with 60 vulnerable young people per annum and the 14-19 agenda, in partnership with Education Leeds, will deal with c150 young people per annum who are or about to become NEET, creating appropriate curricula. In addition young people within the NEET category will be able to access the space directly, on an individual basis.

5.0 Legal and Resource Implications

- 5.1 Any loan granted would be secured against the annual grant which Leeds City Council makes to the West Yorkshire Playhouse. This currently stands at £ 853,128 per annum. The proposal would be, to loan the West Yorkshire Playhouse the sum of £ 160,000, to be repaid over a 5 year period, at a rate of £ 37,000 per annum, deducted from the annual grant payable.
- 5.2 However, the Playhouse is continuing its fundraising efforts with plans to levy a £1 contribution from every ticket sold from Autumn 2008. They therefore intend to repay any loan as quickly as this fundraising allows.
- 5.3 Legal and state aid implications.
- 5.4 The loan will be covered by a legal agreement between the Council and the West Yorkshire Playhouse.

6.0 Recommendations

6.1 Executive Board is requested to:

(a) Agree a loan to West Yorkshire Playhouse of £ 160,000 over 5 years

(b) Agree the deduction over the loan period of £ 37,000 per annum from grant payable to the Playhouse.

Background Papers

There are no background papers applicable to this report.