



Not for publication : Appendix 1 of this report is confidential/exempt under Access to Information Procedure Rule 10.4.3

Report of Director of City Development

To Executive Board

Date: 9 December 2009

Subject: City Varieties Music Hall Refurbishment – Project Update

Capital Scheme Number 01368 / 000 / 000

Electoral Wards Affected:

City & Hunslet

Specific Implications For:

Ethnic minorities

Women

Disabled people

Eligible for Call In

Not Eligible for Call In
(Details contained in the report)

Executive Summary

1. The report sets out current progress on the refurbishment project, including a revised timetable for completion.
2. The report also refers to budgetary pressures on the scheme and a request for authority to spend additional funding on the project.

1.0 Purpose of this Report

- 1.1 The purpose of this report is to provide an update on the refurbishment project and to request authority to spend on the project which is contained within the confidential appendix 1 to this report.

2.0 Background Information

- 2.1 In March, 2009, Executive Board received a report on the project which advised that in December 2008, the Heritage Lottery Fund (HLF) had agreed to make a Stage 2 grant award of £2.739m towards the costs of the project. This generated the following funding profile :

Leeds City Council	-	£5.325m
Heritage Lottery Fund	-	£2.739m
Leeds Grand Theatre Board	-	<u>£1.261m</u>
		£9.325m

2.2 The report also identified a potential start on site in April 2009 subject to a number of requirements being satisfied including :

- i) The signing of a grant agreement with the HLF and compliance with the grant agreement terms and conditions including vacant possession of the Swan public house and obtaining HLF Permission to Start.
- ii) The signing of a construction contract with the Council's participating contractor, BAM Construction.
- iii) Satisfactory progress on the conclusion of a range of legal agreements with third parties to enable the refurbishment scheme to be implemented.

3.0 Current Position

3.1 Following a period of negotiation with the HLF on the terms and conditions attached to the grant award, the legal agreement between the HLF, Leeds City Council and the Leeds Grand Theatre and Opera House Ltd, as owners of the City Varieties Music Hall, was signed on 19 June 2009. Completion of negotiations on the grant agreement have extended over a longer period than anticipated and, combined with a significantly increased scope of work associated with third party matters regarding party wall/structure notices, progressing third party licenses/agreements and a requirement to undertake an archaeological survey prior to any start on site, have combined to slow progress on the project.

3.2 In addition, HLF require that an application for Permission to Start be submitted and approved before any works are undertaken for which grant funding is to be claimed. This approval was granted on 10 November, 2009 and will allow the Council to progress to formal appointment of the Council's participating contractor and then a start on site.

3.3 Since the last report to Executive Board, a review of aspects of the design proposals has identified the significant opportunity to improve the get-in lift proposals to serve the backstage area. Prior to closure, all bulky or heavy equipment associated with shows, concerts and other events, had to be carried up stairs from ground level on Swan Street to the first floor stage level. The original lift proposals put forward allowed for a platform lift which would also serve to provide disabled access to the stage and backstage areas.

3.4 The review recognized that this arrangement would have a number of shortcomings in terms of a limited capacity to accommodate the size and weight of equipment to be transferred, the slow speed of operation of a lift platform and delays/inconvenience associated with a dual purpose use. Following a re-appraisal of the backstage proposals, the opportunity to remove an existing staircase to facilitate installation of a purpose built, dedicated, high capacity get-in lift immediately adjacent to the Swan Street, was identified. The proposal will allow heavy and bulky equipment/items to be quickly and easily delivered to the stage area and avoid the prospect of some acts from declining to accept bookings at the venue due to the long established difficulties associated with access to the stage area. The revised proposal will also bring other operational benefits including reduced staff supervision and health and safety risks. A separate, dedicated lift is to be provided for disabled users.

4.0 Project Programme

- 4.1 At the time of writing this report, the programme is being reviewed following the grant of the HLF Permission to Start on 10 November, 2009 and an update will be given at the Executive Board meeting.
- 4.2 The construction contract will extend over 67 weeks but as this will cover at least one Christmas period (2 week construction industry closedown), the timescale will be extended accordingly. An 8 week float has been included after construction completes in case unforeseen discoveries extend the contract programme and a further duration of 6 weeks has been allowed for client fit out ie installation of computers/office equipment etc. On the basis of a start on site being achieved at the end of November, 2009, a soft opening could take place in late June, 2011. It should be noted, however, that the construction contract, based on a late November, 2009 start, is scheduled to be completed in March, 2011.

5.0 Risk Assessment

- 5.1 Third Party Agreements - there is a risk that implementation of the project is delayed or there are cost increases if all the significant number of agreements/licences/party wall and party structure matters are not satisfactorily concluded. This risk is being moderated by active engagement, over a long period, with all the relevant parties and it is envisaged that all the legal requirements will be concluded within the required timescale.
- 5.2 Scheme Costs – there is a risk that the costs of the project will exceed the available budget. This risk will be continually monitored to seek to ensure costs remain within the available budget. Should the project costs exceed the budget, then a review of the scope of works will have to be undertaken unless additional sources of funding can be identified.
- 5.3 Heritage Lottery Fund – there is a risk that the HLF will withhold an element of the grant. This risk is reduced by the legal agreement in place with the HLF which provides for an award of up to £2,739,000 subject to compliance with a number of conditions. Provided the terms and conditions are adhered to, the risks are reduced but in the event of any difficulty, early dialogue will be undertaken with the HLF to address any potential issues.
- 5.4 Leeds Grand Theatre and Opera House Limited fundraising - there is a risk of a shortfall in the £1.261m fund-raising target. To date over £550k of this figure has been achieved through a number of fund raising activities and a major fund-raising campaign is proposed next Spring by when the financial climate for fund raising may have improved. There is also the potential for a ticket levy to be introduced once the music hall re-opens to generate the funding required

6.0 Compliance with Council Policies

- 6.1 The refurbishment of the City Varieties will make a very positive contribution to a Number of key priorities identified in the Vision for Leeds and the Council Plan. These include themes and priorities relating to the cultural life of the city and its role as a regional capital. In this regard, the City Varieties represents a unique and important resource for the local community and as an attraction to a wider audience.
- 6.2 By securing the long term future of the City Varieties, there will be a significant opportunity to develop the role of the music hall as a unique learning resource available to all ages and communities across the city and beyond.

7.0 Legal Implications

- 7.1 Appendix 1 of this report is confidential/exempt under Access to Information Procedure Rule 10.4.3 'Information relating to the financial or business affairs of any person (including the authority holding that information)'. It contains information which if disclosed to the public would, or would be likely to prejudice the commercial interests of the Council.

8.0 Recommendations

- 8.1 Executive Board is requested to note the report and the updated provided and to approve the recommendation contained within the confidential appendix 1.

Background Papers

None