



---

## Report of the Director of City Development

To: Executive Board

Date: 17 October 2007

Subject: CITY VARIETIES MUSIC HALL – Appendix 1 only is confidential/exempt under the Access to Information Procedure Rule 10.4 (3)

---

### 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

### 1.0 Purpose of the Report

1.1 The purpose of this report is to:

- i. Advise that the £3m Stage 1 bid to the Heritage Lottery Fund (HLF) to assist with funding the refurbishment of the City Varieties Music Hall has been successful
- ii. Seek confirmation that preparation of the Stage 2 application to the HLF should commence as previously agreed by Executive Board
- iii. Seek authority for design development on the project to continue during the Stage 2 HLF application assessment period
- iv. Note the issues with regard to the acquisition of third party land and, to agree the principle of the making of a Compulsory Purchase Order should the issues remain unresolved and to report back to the Executive Board should it be necessary for the Council to pursue such a course of action
- v. Invite the Leeds Grand Theatre and Opera House Ltd Board of Management to commence their fundraising campaign

- 1.2 The report has been designated exempt from call in due to the urgent need for preparation of the Stage 2 bid to the HLF to commence at the earliest opportunity to reduce the potential for delay in the project programme and a resultant increase in build costs through inflation.

## **2.0 Background Information**

- 2.1 Executive Board on 9 February 2007, considered an update on the refurbishment proposals for the City Varieties Music Hall including a revised scheme cost estimated at £9.2m. Executive Board agreed the Council's contribution to the scheme be increased to £5.2m with the balance of funding proposed through a £3m grant application to the Heritage Lottery Fund (HLF) and £1m from the Grand Theatre and Opera House Ltd Board of Management generated through a fund raising campaign.
- 2.2 Executive Board also agreed that a number of technical and operational benefits would be delivered if third party property interests were to be acquired and included within the scope of the project.
- 2.3 The Stage 1 bid to the HLF was submitted in March 2007.

## **3.0 Present position**

- 3.1 The Stage 1 bid was considered by the HLF on 21 September 2007 along with other schemes from around the country competing for the limited grant budget available.
- 3.2 The City Varieties bid was one of the successful schemes and the £3m grant has been awarded subject to conditions to be agreed between with the Council. This is required on all successful HLF bids.
- 3.3 The Stage 1 award is the key decision made by the HLF and the £3m funding contribution for the project has now been set aside for the City Varieties scheme.
- 3.4 The envisaged programme for the project is currently as follows:
- Commence HLF Stage 2 bid preparation – October 2007
  - Submission of Stage 2 bid to HLF – May 2008
  - HLF Stage 2 award decision – September 2008
  - Music Hall closes/site enabling works commence – March/April 2009
  - Refurbishment scheme commences – June 2009
  - Refurbishment completed – July 2010
  - Staff training/pre-operational phase – August 2010
  - Music Hall re-opens – September 2010

## **4.0 Matters for Determination**

- 4.1 The Stage 2 application to the HLF involves developing the current outline design and cost proposals (RIBA Stage C) to a more detailed level as represented by RIBA Stage E.
- 4.2 Whilst Executive Board agreed on 9 February 2007 that if the HLF bid was successful preparation of the Stage 2 bid could proceed without delay, there is now

an element of risk in this given the acquisition of third party land for inclusion in the proposals has yet to be concluded. This matter is considered further in Appendix 1 of the report which is confidential under Access to Information Procedure Rule 10.4.3.

- 4.3 On the assumption the project moves forward with the third party land included, there is the opportunity for the design team to continue working on the project whilst the Stage 2 bid is being assessed by the HLF. This is envisaged to take place between May 2008 and September 2008. The advantages of this approach are that the programme overall can be advanced by up to 4 months which would reduce construction costs, would reduce the risk of construction cost inflation, and would enable the design/cost team to continue working on the next phase of the scheme without requiring a 4 month break and reducing the prospect of key personnel moving onto other projects.
- 4.4 The risk of the Stage 2 HLF submission not being successful is considered to be low provided the scheme proposals/budget upon which the Stage 1 award was approved, do not change significantly. Prior to the HLF Stage Two submission, third party issues will have to have been resolved. It should be noted the opportunity to significantly vary the scope of the project is limited by the constrained nature of the site and the listed status of the building. Consequently, the benefits of the design team continuing to work during the Stage 2 HLF assessment period are considered to outweigh the risk of the Stage 2 application not being successful and abortive fees having been incurred.

## **5.0 Implications For Council Policy And Governance**

- 5.1 The proposed refurbishment of the City Varieties Music Hall will make a positive contribution to a number of key priorities identified in the Vision for Leeds and the Corporate 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.
- 5.2 There will also be the significant opportunity to develop the role of the music hall as a unique learning and educational resource available to all ages and communities across the city.

## **6.0 Legal And Resource Implications**

- 6.1 At the meeting of Executive Board on the 9 February 2007, it was agreed that £9.2m be included in the Capital Programme 2006/07 to 2010/2011 for the City Varieties Music Hall refurbishment project on the basis that the Council's contribution of £5.2m would be supported with £3m from a successful HLF bid and £1m via the Leeds Grand Theatre and Opera House Ltd Board of Management fund raising campaign. Executive Board also agreed that, subject to the Stage 1 HLF bid being successful, expenditure from this budget of up to £495k be made available to allow for preparation of the HLF Stage 2 bid to commence provided the Stage 1 bid had been successful. The potential benefits and risks associated with this approach are considered in the confidential Appendix 1.
- 6.2 The information contained in Appendix 1 relates to the financial or business affairs of a third party and of the Council and the release of such information would be likely to prejudice the interests of both parties. Whilst there may be a public interest in disclosure, in all the circumstances of the case maintaining the exemption

outweighs the public interest in disclosing this information at this point in time. It is therefore considered that this element of the report should be treated as exempt under Rule 10.4.3 of the Access to Information Procedure Rules.

## **7.0 Conclusions**

- 7.1 The £3m HLF grant award is a major step forward in delivering the much needed refurbishment of the City Varieties Music Hall.
- 7.2 Acquisition of third party property on satisfactory terms and timescale needs to be concluded at the earliest opportunity. The principle of making a CPO to acquire the property concerned is recommended should negotiations not proceed on a satisfactory basis.
- 7.3 The programme for the project previously agreed by Executive Board allows for preparation of the Stage 2 HLF application to commence on the basis of a successful Stage 1 HLF bid. Whilst this has now been achieved, there is an element of uncertainty with regard to the third party issues referred to in para 7.2 above. Notwithstanding these issues, Executive Board is recommended to endorse the earlier decision that work to prepare the Stage 2 application should commence provided the Stage 1 HLF bid is successful.
- 7.4 Executive Board is also recommended to agree that during the estimated 4 month, HLF Stage 2 application assessment period, work on the project continues on the basis the benefits of this action will outweigh the risks.

## **8.0 Recommendations**

- 8.1 Executive Board is requested to:
- i. Note the £3m Stage 1 bid to the HLF has been successful
  - ii. Confirm that preparation of the Stage 2 application to the HLF should commence
  - iii. Agree that work on the project continues during the Stage 2 application assessment period
  - iv. Note the issues with regard to the acquisition of third party property and, to agree the principle of the making of a CPO should there not be satisfactory progress on the outstanding matters and to report back to the Executive Board should it be necessary for the Council to pursue such a course of action.
  - v. Invite the Leeds Grand Theatre and Opera House Ltd Board of Management to commence their fundraising campaign