

Report of the Director of City Development

Report to: Executive Board

Date: 17 July 2017

Subject: Design and Cost Report, Proposed Refurbishment, West Yorkshire Playhouse

Capital Scheme Number: 32019

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|---|---|--|
| Are specific electoral Wards affected? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| If relevant, name(s) of Ward(s): | City & 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 type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| If relevant, Access to Information Procedure Rule number: | | |
| Appendix number: | | |

Summary of main issues

1. The Breakthrough Project '*World-class events and a vibrant city centre that all can benefit from*' recognises that city centres are evolving as critical centres for people to interact, exchange knowledge and drive commerce. Members will be aware that Leeds has recently been named in the Lonely Planets 'Best in Europe 2017' list, citing its urban regeneration and flourishing cultural scene. The success of recent capital investments in cultural venues ranging from The Carriageworks Theatre, the City Museum, the refurbishment of both the Leeds Grand Theatre and the City Varieties, the development of new headquarters for Northern Ballet and the opening of the First Direct Arena have emphasised the importance of continued investment in the cultural fabric of the city and, are consistent with the Best Council Plan 2015-2020 in terms of supporting a resilient, inclusive, cultural and creative sector.
2. In order to make a compelling proposal to be European Capital of Culture in 2023, the Council needs to work to ensure that the cultural infrastructure across the city is fit for purpose and that its cultural organisations are both resilient and sustainable. Furthermore the new Cultural Strategy has an objective for established cultural organisations to be resilient.
3. Executive Board at its meeting in July 2015 agreed to act as lead in the management, procurement and delivery for the proposed refurbishment and

reconfiguration works (the proposed works) at the West Yorkshire Playhouse (the Playhouse).

4. The Council with support from the Playhouse submitted a Stage 1 application to Arts Council England (ACE) in August 2015, for a grant towards the cost of the proposed works. In January 2016, ACE confirmed that it would provide the Council with a development grant of up to £300,000 towards the cost of developing an Agreed Development plan and invited the Council to make a Stage 2 application for the capital project as set out in its Stage 1 application.
5. This report summarises the proposed works at the Playhouse, advises that the estimated cost of the work is £14m inclusive of fees and contingency, seeks authority to submit a Stage 2 application to ACE for grant support of £6.330m towards the project costs and, having regard to the Authority to Spend totalling £960,000 already approved and, on the assumption that the City Council's Stage 2 application to ACE is successful, seeks Authority to Inject £13.040m into the Capital Programme (Capital Scheme No. 32019 for the proposed works. Based on the ACE Stage 2 grant application being successful and, the tender for the proposed works being within the cost plan allowance, the report also seeks Authority to Spend £13.040mm from Capital Scheme No. 32019 and the letting of the construction contract to the preferred contractor for the proposed works.

Recommendations

6. Executive Board is requested to:
 - (i) Authorise the submission of a Stage 2 application to Arts Council England for a grant of £6.330m towards the cost of refurbishing and reconfiguring the West Yorkshire Playhouse.
 - (ii) Authorise an injection of £13.040m into the Capital Programme (Capital Scheme No. 32019, subject to the City Council's Stage 2 grant application to Arts Council England for £6.3m being successful.
 - (iii) Approve Authority to Spend £13.040m from Capital Scheme No. 32019 for the proposed refurbishment and reconfiguration works to the West Yorkshire Playhouse, subject to the City Council's Stage 2 grant application to Arts Council England and the tender for the proposed works being within the project's cost plan allowance.
 - (iv) Authorise the award of the contract for the proposed refurbishment and reconfiguration works at the West Yorkshire Playhouse, subject to the tender for the proposed works being within the project's cost plan allowance.
 - (v) Approve in principle the inclusion of the proposed public realm improvement works to Gateway Court in the contract for the proposed works to the West Yorkshire Playhouse and, to note that a further report detailing the proposed public realm improvement works will be presented to Executive Board for approval in due course.

- (vi) Approve bringing forward for disposal for residential use the site on Quarry Hill previously held for use as a coach layover facility and, to use the subsequent capital receipt to contribute toward the cost of the proposed public realm improvement works at Gateway Court.
- (vii) Subject to consultation with the Executive Member for Regeneration, Transport and Planning to authorise the Director of City Development to negotiate and approve the final terms of all legal agreements associated with the delivery of the project in accordance with the officer delegation scheme.
- (viii) Note the actions required to implement the decisions, the proposed timescale to progress the project as detailed in paragraph 3.6 of the report and, that the Chief Officer Culture and Sport will be responsible for the implementation of the decisions.

1 Purpose of this report

- 1.1 The purpose of the report is to seek Executive Board's approval to the submission of a Stage 2 application to ACE for grant support of £6.330m towards the cost of the proposed works, to authorise an injection of £13.040m into the Capital Programme (Capital Scheme No. 32019), to be funded from a combination of grant aid from ACE, the Playhouse (reserves and fundraising) and the City Council. The report also seeks Authority to Spend £13.040m from Capital Scheme No. 32019 and, the letting of the construction contract for the proposed works, subject to the Council's Stage 2 application to ACE being successful and the preferred contractor's tender for the proposed works being within the project's cost plan allowance.
- 1.2 The report outlines proposals for the City Council supported by stakeholders to progress public realm improvements to the area of land known as Gateway Court adjacent to the Playhouse (site no. 1 on the attached plan) and, seeks approval in principle to incorporate such public realm works into the contract for the proposed works to the Playhouse, with a further report detailing the proposed public realm works to be presented to Executive Board for approval in due course. The report also seeks approval to bring forward for disposal for residential use the site on Quarry Hill that has been held for use as a coach layover facility (site no. 2 on the attached plan) and, to use the capital receipt generated to contribute toward the cost of the proposed public realm improvement works at Gateway Court

2 Background information

- 2.1 The Council's Executive Board at its meeting in July 2015 agreed as owner of the Playhouse building to act as lead in the management, procurement and delivery for the proposed works at the Playhouse and, in doing so, to be the applicant to and if successful, the recipient of a grant award from ACE towards the cost of the proposed works to the Playhouse. The Executive Board also agreed in principle to a contribution up to the value of £4.9m to bridge the funding gap in the scheme and, that subject to a successful Stage 1 application to ACE that a report is presented on the detailed funding proposals for the proposed works for injection into the capital programme.

- 2.2 In August 2015, the City Council submitted an application to ACE for the proposed refurbishment and reconfiguration of the Playhouse. The proposed works seek to re-orientate the theatre towards the city by creating a new extension and high impact entrance at ground level opposite the now open Victoria Gate development. Indeed, the Victoria Gate development will create a gravitational pull that brings the city centre right to the edge of Quarry Hill, bringing significant extra footfall to the Eastgate area, thereby affording the opportunity not only to better integrate the cultural facilities on Quarry Hill with the traditional core of the city centre, but investment in the Playhouse will also complement the proposed investments in the South Bank particularly, the proposals to enhance connectivity within the South Bank around the Royal Armouries and the Waterfront.
- 2.3 In addition, new performance and community spaces would be opened (i.e. the Rock Void), along with a reconfiguration of the office and back of house areas to facilitate new commercial spaces and improved access. A refurbishment of the two current auditoria was also proposed, with investment in both theatre equipment and in old and increasingly expensive plant and machinery of the Playhouse building itself. The extension of the public areas and improving disabled access and routes into and through the building all sought to create a porous, open and welcoming destination to underpin both the Council's and the Playhouse's commitment to greater engagement with Leeds' communities and the city.
- 2.4 In January 2016, ACE confirmed that it would provide the City Council with a Development Grant of up to £300,000 towards the cost of developing an Agreed Development Plan and, to invite the Council to make a Stage 2 application for the Capital Project as set out in the Stage 1 application by no later than 30 July 2017, in order to be assessed for a grant of up to £6.333m (rounded) towards the total project cost for the proposed works. Members of Executive Board should note that the cost of preparing the Stage 2 application to ACE is estimated at £785,000 (rounded) to be funded by a combination of the £300,000 grant from ACE, £152,000 from the Playhouse and £333,000 from the City Council.
- 2.5 The Playhouse makes a significant direct and indirect contribution to employment in the city. It currently employs 203 members of staff, but at the seasonal peak this increases to 261. On completion of the proposed works an additional 12 full-time equivalent posts will be created directly by the Playhouse: with an indirect employment increase of between 9.5 and 16.5 FTE. The indirect employment increase is based on the employment multipliers of 0.79 and 0.59 (total 1.38) which are the indirect and induced multipliers quoted in the report 'Contribution of the arts and culture industry to the national economy' produced for Arts Council England in 2015 by the Centre for Economics and Business Research (CEBR)

3.0 Main Issues

(i) Design Update

- 3.1 Following a review of the original design proposals contained in the feasibility study forming part of the Stage 1 application to ACE and, as a consequence of ongoing design development, the Council's retained design team has developed the scheme proposals to RIBA Stage 3 Developed Design proposals which continue to meet the principal objectives of the project namely a new entrance addressing the wider city;

improved access; the creation of a new performance space in the Rock Void and financial resilience for the Playhouse, but which now differ from the feasibility study scheme in a number of ways as follows;

Improved Accessibility; As part of the visioning session held with representatives of the City Council and the Playhouse team, it became apparent that the proposal contained in the feasibility study to re-orientate the building to face the city centre and for the theatre building to effectively turn its back onto Quarry Hill is not necessarily the best way forward. This is particularly in light of other proposed developments on the Quarry Hill site. The design proposals now seek to create a much more porous, permeable and accessible building for all, with not only a dramatic new entrance facing the city centre on St Peters Street incorporating a fully accessible, 17 person lift, but also an improved entrance from Playhouse Square (currently the main entrance in to the building) and a new mid-level entrance allowing the theatre to connect to the proposed public realm improvements on the adjacent grassed area known as Gateway Court. The changed entrance arrangements better reflect the ethos of the Playhouse organisation to be welcoming to all sections of society and, to offer as many opportunities to enter the building and encounter theatre as possible

Improved Access to the Quarry Theatre; During the course of design development, it has been identified that significant improvement needs to be made to access the Quarry Theatre. In the feasibility study, the proposed works focussed primarily on providing additional wheelchair positions. It is recognised that access for all has to be improved, as at the moment the full audience essentially enter at the top of the single tier seating at the rear of the auditorium. Wheelchair users have to be accompanied to the wheelchair and companion positions at the extremities of the fan shaped auditorium, whilst the steep rake makes it very difficult for many to easily access their seat. The RIBA Stage 3 proposals seek to democratise the experience so everyone can share the same route into the theatre at mid-tier level via the formation of two new vomitoria at the mid-tier level which will bring level access into the heart of the seating bank, allowing the provision of more wheelchair and companion seating positions. This proposal necessitates the opening up of the building at the mid-tier level to create new routes through the building, better connecting both the Quarry Theatre and the main entrance level of the Courtyard Theatre by new foyer spaces and incorporating the relocated box office and the introduction of a new interval bar to serve this level of the building.

Improved Entrance from Playhouse Square; It is considered important that this entrance is maintained and improved as it will continue to be used by patrons using the disabled parking and coach drop of facilities on Playhouse Square, as well as a proportion of the theatre's audience who will still approach the building from the proposed new multi storey car park to be provided as part of the wider commercial development of the Quarry Hill site. With the proposed relocation of the box office to the new mid-tier level referred to above, the building elevation to Playhouse Square can be remodelled and opened up with the creation of a new centralised entrance. Upon entering the building at this level, proposed internal alterations will transform the perception of the interior, with access down to the new foyer and entry into the Quarry Theatre. Alternatively access up and entry to the back of the Quarry Theatre as at present is maintained.

Courtyard Theatre; Since the preparation of the feasibility study, the thinking with regard to the proposed works to the Courtyard Theatre has developed. Having regard to making the Playhouse more financially resilient, the opportunity to increase the seating capacity in the Courtyard Theatre has been identified. The RIBA Stage 3 proposals include for the removal of the current steeped rake retractable seating bank and the subsequent excavation of the stalls level to allow a shallow rake formation. This will allow the provision of an additional three seating rows in the central seating area, increasing seating capacity (and therefore potential ticket income) from 356 to over 400 seats and improving the sightlines of a number of the existing seats. The proposal will necessitate structural alterations and, the shallower rake will also enable wheelchair positions to be introduced in the centre gallery at stalls and first gallery levels.

Hospitality Areas; The proposals include for the provision of two new hospitality rooms, with one well related to the existing bar and restaurant functions and, a further hospitality space on the top floor of the new entrance onto St. Peters Street. With a capacity for over 60 people, this new hospitality space will have a visual connection down to the dining area below and will have a glazed screen and balcony overlooking St. Peters Street.

Services Relocation; Whilst the original feasibility study identified that all major utilities were affected by the proposed new entrance onto St. Peters Street, the design team in formulating the Stage 3 design proposals has identified the need to relocate the substation in order to improve linkages within the building. Members of the Executive Board should also note that the proposed building services upgrade forming part of the proposed works will be capable of connecting to the proposed District Heating network.

- 3.2 The RIBA Stage 3 Developed Design proposals now involve a significantly greater level of physical intervention in the building than originally envisaged at the time the feasibility study was prepared and, consequently, this has contributed to the project costs being greater than originally estimated. The project Quantity Surveyor has also advised that having regard to the proposed revised scope of works, that the contact period required to undertake the proposed works has been extended to around 55 weeks, from an estimated 26 weeks as reflected in the feasibility study, with consequential increase in the contractor's preliminaries costs. At the time of report preparation it is estimated that the total project cost is £14m (rounded).
- 3.3 In developing the Developed Design proposals, it should be noted that the key project objectives as detailed in paragraph 3.1 above remain unchanged. The proposed scheme goes beyond the original feasibility study in meeting all of these, delivering a landmark entrance for the theatre facing the city centre onto St. Peters Street, significantly improved access for all into and through the building, improved performance spaces, the development of a third performance space in the Rock Void and new opportunities for revenue generation by the Playhouse.
- 3.4 Members of Executive Board should note that in order to maintain a budget compliant scope of works it has been necessary to review both the nature and extent of the proposed works to be undertaken. Against this background, a number

of changes have had to be made which include the omission of works to refurbish the office accommodation (which had always been a lesser priority); reducing the budget allowance for internal lighting; a reduction in the FF&E budget and a reduction in the proposed improvements to the technical infrastructure, systems and equipment in the Quarry Theatre and, to a lesser extent, in the Courtyard Theatre. Whilst both the City Council and the Playhouse are conscious of the risk of not replacing technical infrastructure that over time will become unreliable, these items of expenditure have been chosen because they may either be re-instated within the project at a later date should additional funding become available i.e. the tender price for the build works being less than the cost plan allowance, or may be carried out separately as a standalone project at a later date. From a design perspective, efforts have focussed on simplifying the works to the Playhouse Square entrance to reduce the level of structural intervention and, on scaling back the specification of the performance space in the Rock Void to bring it closer to its original concept of a found space, whilst still ensuring that it is a functional space which can be readily used.

- 3.5 It should be noted that at the date of report preparation, following a competitive procurement process a preferred contractor has been identified to develop the scheme design proposals to RIBA Stage 4 (Technical Design) and, prepare a second stage tender which will be based on the RIBA Stage 4 design. The preferred contractor's second stage tender will be presented to the Director of City Development for approval in due course in accordance with the officer delegation scheme. The Playhouse project team are of the view that once the preferred contractor for the build works is appointed and the contractor works with the design team, client and the end user during the second stage tender process, it is anticipated that efficiencies in the scheme design will be identified, such that savings would be identified sufficient to allow areas of work that have been deferred to be re-incorporated into the project.

(ii) Programme

- 3.6 If Executive Board is minded to support the recommendations contained the report, the following indicative development programme will be pursued;

- Submit Stage 2 application to ACE July 2017
- Commence RIBA Stage 4 Technical Design July 2017
- Submit planning application July 2017
- ACE decision Stage 2 application November 2017
- Complete RIBA Stage 4 design November 2017
- Appoint contractor March 2018
- Anticipated start phase 1 enabling works April 2018
- Commence main contract works July 2018

- Completion on site June 2019
- Theatre re-opens September 2019

3.7 The indicative development programme detailed above assumes the contractor will commence phase 1 works comprising works external to the theatre building i.e. service diversions etc. in April 2018 whilst the theatre building remains operational. Thereafter, it is envisaged that the Courtyard Theatre would remain operational until mid-June 2018, with the last performance in the Quarry Theatre towards the end of June 2018. Allowing time for the Playhouse to decant from the auditorium, it is proposed that the theatre would be handed over to the contractor in July 2018, except for those areas of the building where Playhouse personnel are to remain in occupation i.e. office areas and the production block. It should be noted that it is proposed to create a 'temporary theatre' in the production block to allow the Playhouse to continue to offer performances from the building through to May 2019 to coincide with the completion of the substantive works in June 2019. It is envisaged that the Playhouse will re-open to the public after a period of refit, familiarisation and training for theatre personnel in September 2019.

3.8 Members of Executive Board should note that the proposed works to the Playhouse are due for completion in a similar timescale to the adjacent City College development. The City Council, the Playhouse and other stakeholders on Quarry Hill wish to see proposals to improve the public realm on the area known as Gateway Court (site no. 1 on the attached plan) in a similar timescale so as to minimise disruption to the Playhouse and the City College. In order to implement the proposed public realm improvement works, it is not considered advisable to introduce another contractor to undertake the works at the same time as works are progressing on both the Playhouse and the City College, but that it would be more practicable and cost effective to incorporate such proposed public realm improvement works into the contract for the works to the Playhouse. Executive Board is, therefore, requested to support in principle incorporating the proposed public realm improvement works to Gateway Court in the contract for the proposed works to the Playhouse and, to note that a further report detailing the proposed public realm improvement works will be presented to Executive Board in due course.

4.0 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 The Executive Member for Economy and Culture has been consulted and is supportive of the recommendation contained in the report.
- 4.1.2 A pre-application presentation was made to the City Plans Panel on 16 March 2017. The proposals were universally well received such that the Panel agreed to defer and delegate the decision to officers
- 4.1.3 Consultation on the development of the scheme proposals continue to be held with stakeholder groups both internal and external to the Playhouse including the Leeds Civic Trust, the Access and User Ability Group, the West Yorkshire Playhouse

Access Group, Playhouse user groups including families, young people and community ambassadors, the Dementia Engagement and Empowerment Project, adjacent neighbours and developers and Playhouse staff. The proposals have been generally well received, particularly with regard to improved accessibility throughout the building.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 In formulating the recommendations within this report to support the injection into the capital scheme and authority to spend on the proposed works, the potential impacts on equality, diversity and cohesion and integration issues have been considered.

4.2.2 An Equality, Diversity, Cohesion and Integration Impact Assessment has been carried out (attached at Appendix A). The exercise noted the cultural activities currently undertaken by the Playhouse both in terms of their artist offering and their community work which benefit users that protected characteristics and it has been assessed how the refurbishment works will improve upon on these. This will be achieved through for example:

The Playhouse will become an open, porous and welcoming building rather than one closed off to public view, welcoming people in and underscoring the Theatre's renewed commitment to engage with local communities; including young people and those with dementia.

- Improving physical access into and around the theatre building, particularly for wheelchair users, by the creation of new vomitoria in the Quarry Theatre which will enable them to feel part of the audience rather than being on the seat on the periphery of the auditorium. At present wheelchair users also have to use back of house routes in order to get to the seating area available to them; the refurbishment will enable these customers to enter and exit the same as abled bodied customers and, therefore, creating a more pleasurable, inclusive experience. In addition, more wheelchair spaces are being made available in both the Quarry and Courtyard theatres. This will be particularly beneficial to the Playhouse in their sector-leading work on Relaxed performances which are specifically designed to be open and accessible to people who may otherwise experience barriers to engaging with theatre.
- The refurbishment will assist with the theatre's aspirations to be more dementia friendly by creating calming, logical and safe spaces. The theatre building will become more logical in its layout and be more welcoming, breaking down any psychological barriers in using a theatre space.
- The new Rock Void space will allow the theatre to expand their Artist Development and Young People's offers and, to extend community participation opportunities bringing community groups right into the heart of the new theatre building.

- Improve and increase the toilet provision for families, transgender and disabled users.
- Creating new spaces and improving their award winning Creative Engagement offer for young people, older people, communities and schools/education providers such as the long-running Heydays programme for over 55s which promotes community cohesion and health and wellbeing and reduces social isolation.

4.3 Council Policies and 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.
- 4.3.2 The proposals contained in the report are as consistent with the Best Council Plan 2015-2020 in terms of supporting a resilient, inclusive, cultural and creative sector.

4.4 Resources and value for money

- 4.4.1 The total scheme costs are estimated to be £14m inclusive of fees and contingency. It is proposed that the cost of the works will be funded from City Council Capital resources (£4.335m), ACE grant funding (£6.633m inclusive of the £300,000 development grant) and the Playhouse (£3.032m).
- 4.4.2 In terms of the City Council's proposed £4.335m contribution toward the cost of the works, this would comprise the following;
- £3.535m capital resources
 - £0.500m Prudential Borrowing supported by funding from the Playhouse arising from additional revenue generated from ticket sales from the increased seating provision in the Courtyard Theatre as detailed in paragraph 3.1 above
 - £0.300m arising from the disposal of land at Quarry Hill. The City Council under a Development Agreement concluded with the developer of adjacent land on Quarry Hill holds the sum of £300,000 to allow the Council to undertake the construction of a coach layover facility on a site adjacent to Northern Ballet (site no. 2 on the attached plan). Discussions have been held with representatives of the Playhouse that have concluded that such a facility is no longer required on Quarry Hill, as there are now other locations in the city where coach parking is possible and, that coaches only need to be able to drop off and pick up on Playhouse Square and, do not need to park nearby and layover on Quarry Hill during an event in the theatre. In light of the proposed release of the site as a coach layover facility, Executive Board is requested to approve bringing forward the site for disposal for residential purposes, with the intention to use the site to

help deliver more affordable housing in the city centre through the application of commuted sums generated and, with the subsequent capital receipt being used to contribute toward the cost of the proposed public realm works on the land known as Gateway Court between the Playhouse and the new City College development. It is also proposed that the £300,000 held by the Council forms part of its contribution to the works to refurbish the Playhouse, with £250,000 to be used to reinstate the provision of theatre equipment previously omitted from the project, with the remaining £50,000 to be held as project contingency.

4.4.3 If Executive Board is minded to support the recommendations contained in this report, the City Council will submit its Stage 2 application to ACE for grant funding of £6.333m towards the cost of the proposed works. ACE has indicated that a decision on the Stage 2 application would be made by November 2017 at the latest.

4.4.4 With regard to the Playhouse's contribution to the cost of the proposed work, their contribution will come from reserves and fundraising. Members of the Executive Board should note that the Playhouse proposes to increase its fundraising target by £0.5m, from £1.8m to £2.3m. The Playhouse is confident that the increased fundraising target is achievable given the exceptional start to the fundraising campaign with £1m secured from The Liz and Terry Bramall Foundation, leaving at the date of report preparation £1.3m to be raised in the remaining two years of the project.

4.4.5 Capital Funding and Cash Flow.

| Previous total Authority to Spend on this scheme | TOTAL £000's | TO MARCH 2017 £000's | FORECAST | | | | |
|---|-----------------|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | | | 2017/18 £000's | 2018/19 £000's | 2019/20 £000's | 2020/21 £000's | 2021 on £000's |
| LAND (1) | 0.0 | | | | | | |
| CONSTRUCTION (3) | 0.0 | | | | | | |
| FURN & EQPT (5) | 0.0 | | | | | | |
| DESIGN FEES (6) | 707.3 | 387.2 | 320.1 | | | | |
| OTHER COSTS (7) | 252.7 | 26.2 | 226.5 | | | | |
| TOTALS | 960.0 | 413.4 | 546.6 | 0.0 | 0.0 | 0.0 | 0.0 |
| Authority to Spend required for this Approval | TOTAL £000's | TO MARCH 2017 £000's | FORECAST | | | | |
| | | | 2017/18 £000's | 2018/19 £000's | 2019/20 £000's | 2020/21 £000's | 2021 on £000's |
| LAND (1) | 0.0 | | | | | | |
| CONSTRUCTION (3) | 12000.0 | | 0.0 | 10000 | 2000.0 | | |
| FURN & EQPT (5) | 0.0 | | | | | | |
| DESIGN FEES (6) | 1040.0 | | 500.0 | 450 | 90.0 | | |
| OTHER COSTS (7) | 0.0 | | | | | | |
| TOTALS | 13040.0 | 0.0 | 500.0 | 10450.0 | 2090.0 | 0.0 | 0.0 |
| Total overall Funding (As per latest Capital Programme) | TOTAL £000's | TO MARCH 2017 £000's | FORECAST | | | | |
| | | | 2017/18 £000's | 2018/19 £000's | 2019/20 £000's | 2020/21 £000's | 2021 on £000's |
| LCC Supported Borrowing | 3535.0 | 255.9 | 314.0 | 2525.0 | 440.1 | | |
| Capital Receipt | 300.0 | 0.0 | 0.0 | 250.0 | 50.0 | | |
| Corporate USB | 500.0 | 0.0 | 0.0 | 360.0 | 140.0 | | |
| Private Sector | 3032.0 | 0.0 | 232.6 | 2330.0 | 469.4 | | |
| Government Grant | 6633.0 | 157.5 | 500.0 | 4985.0 | 990.5 | | |
| Total Funding | 14000.0 | 413.4 | 1046.6 | 10450.0 | 2090.0 | 0.0 | 0.0 |

Parent Scheme Number : 32019

Title : West Yorkshire Playhouse Refurbishment

Revenue Effects

- 4.4.6 Any revenue implications will be met by the West Yorkshire playhouse

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 The decisions taken in this report are eligible for call-in.
- 4.5.2 On the basis that the City Council's Stage 2 grant application to ACE is successful, the Council will be required to enter into a grant agreement with ACE for receipt of funding towards the scheme project costs. The City Council will also need to enter into agreement with the Playhouse to cover the Council's access or that of its appointed contractor to enter the building to undertake the works; the suspension if necessary of any current lease obligations; the basis of the Playhouse's funding contribution toward the project costs and, responsibilities for discharging any obligations ACE may impose on the Council that can only be delivered by the Playhouse as a condition of the grant award to the Council. Against this background, it is proposed that the negotiation of the final detailed terms of all legal agreements associated with the delivery of the project be delegated to the Director of City Development for approval in accordance with the officer delegation scheme.
- 4.5.3 As part of finalising arrangements with the Playhouse, officers will continue to consider the implications, if any, of the State Aid rules and, any issues in this respect will be the subject of a further report to the Director of City Development.

4.6 Risk Management

- 4.6.1 There is a risk that the preferred contractor's second stage tender may exceed the cost plan allowance. The risk cannot be completely mitigated, but if it was to arise the project team would need to review the scheme proposals to achieve a budget compliant scope of works.
- 4.6.2 There is a risk that the City Council's Stage 2 grant application to ACE will be unsuccessful. The risk cannot be completely removed and, if it were to arise, the Council and the Playhouse would have incurred around £1.319m in abortive fees/costs. In order to mitigate the risk, the project team will ensure that the outcomes detailed in the Stage 2 application to ACE will deliver the goals and outcomes supported by ACE when inviting the City Council to make a Stage 2 application for the project as set out in the Stage 1 application.
- 4.6.3 There is a risk that the Playhouse may not achieve the additional revenue from ticket sales arising from the increased capacity of the Courtyard Theatre to support the additional £0.5m Prudential Borrowing undertaken by the Council. The risk if it was to occur is mitigated by the City Council agreeing with the Playhouse whereby the Playhouse will on the anniversary payment of their revenue grant immediately undertake to reimburse the Council's annual costs of borrowing £0.5m.

- 4.6.4 Part of the Playhouse's contribution to the estimated project costs relies upon achieving its increased fundraising target of £2.3m. The risk remains that the required funding is not raised in a timely manner to support the Council's commitment to meet the contractor's costs. The Council will undertake to cash flow any shortfall in the Playhouse fundraising target on the basis that the £2.3m will be recoverable from the Playhouse once the liability construction defects period has elapsed. The Council will seek to recover any shortfall through further additional annual prudential borrowing payments.

5 Conclusion

- 5.1 A contribution from the City Council to the proposed works at the Playhouse has the potential to lever significant funds from ACE and to secure a resilient and sustainable future for the organisation. This in turn will contribute to the well-being of the city's residents and to Leeds' bid to be European Capital of Culture 2023.
- 5.2 The design proposals deliver on the key objectives of the project, delivering a landmark new entrance for the building facing onto St. Peters Street, significantly improved access for all into and through the building, improved performance and customer spaces in the main auditoria and the creation of a third performance space in the Rock Void and new revenue generating opportunities for the Playhouse
- 5.3 In light of the decision that the Council will act as lead and assume responsibility for the management, procurement and delivery of the proposed works to the Playhouse and, in so doing, be the applicant and recipient of any grant award from ACE, Executive Board needs to inject into its Capital Programme contributions from third party organisations towards the estimated cost of the proposed works and, to authorise the submission of a Stage 2 application to ACE for a grant award toward the estimated project costs.

6 Recommendations

- 6.1 Executive Board is requested to:
- (i) Authorise the submission of a Stage 2 application to Arts Council England for a grant of £6.330m towards the cost of refurbishing and reconfiguring the West Yorkshire Playhouse
 - (ii) Authorise an injection of £13.040m into the Capital Programme (Capital Scheme No. 32019, subject to the City Council's Stage 2 grant application to Arts Council England for £6.3m being successful
 - (iii) Approve Authority to Spend £13.040m from Capital Scheme No. 32019 for the proposed refurbishment and reconfiguration works to the West Yorkshire Playhouse, subject to the City Council's Stage 2 grant application to Arts Council England and the tender for the proposed works being within the project's cost plan allowance.

- (iv) Authorise the award of the contract for the proposed refurbishment and reconfiguration works at the West Yorkshire Playhouse, subject to the tender for the proposed works being within the project's cost plan allowance.
- (v) Approve in principle the inclusion of the proposed public realm improvement works to Gateway Court in the contract for the proposed works to the West Yorkshire Playhouse and, to note that a further report detailing the proposed public realm improvement works will be presented to Executive Board for approval in due course.
- (vi) Approve bringing forward for disposal for residential use the site on Quarry Hill previously held for use as a coach layover facility and, to use the subsequent capital receipt to contribute toward the cost of the proposed public realm improvement works at Gateway Court.
- (vii) Subject to consultation with the Executive Member for Regeneration, Transport and Planning to authorise the Director of City Development to negotiate and approve the final terms of all legal agreements associated with the delivery of the project in accordance with the officer delegation scheme.
- (viii) Note the actions required to implement the decisions, the proposed timescale to progress the project as detailed in paragraph 3.6 of the report and, that the Chief Officer Culture and Sport will be responsible for the implementation of the decisions.

7 Background documents ¹

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.