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**CIVIC THEATRE**

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**Responsible Cabinet Member – Councillor Nick Wallis,  
Leisure and Local Environment Portfolio**

**Responsible Director – Richard Alty, Director of Place**

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**SUMMARY REPORT**

**Purpose of the Report**

1. To present to Members a proposal to develop a restoration plan for the Civic Theatre.

**Summary**

2. Cabinet have previously received reports on the Civic Theatre as part of the Medium Term Financial Plan the latest being presented to Cabinet on 22 November 2011. As a result of that report Members agreed to retain the Civic Theatre in-house and introduce a new business model based on adopting the VAT exemption for Cultural Services. This has now been implemented and the Civic Theatre continues to deliver a successful and varied programme.
3. In recent months officers have been working with a specialist historic theatre consultant Theatre Search to develop a route map to restoration for the Civic Theatre. The final report has now been produced attached as **Appendix 1**, setting out the steps to deliver a successful restoration project for the Civic Theatre.
4. If successful it is anticipated that refurbishment work would be carried out in 2016.

**Recommendation**

5. It is recommended that :-
  - (a) Members agree to develop a restoration project for the Civic Theatre and Stage 1 application for HLF funding.
  - (b) Members agree to the release of £50K capital funding to cover the cost of the HLF Stage 1 application.

## Reasons

6. The recommendations are supported to enable the first round application to be completed and submitted to the HLF.

**Richard Alty**  
**Director of Place**

## Background Papers

No Background papers were used in the preparation of this report.

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LC

S17 Crime and Disorder	The content of this report will not impact on Crime and Disorder.
Health and Well Being	There is no direct impact on Health and Well being as a result of the outcome of this report.
Carbon Impact	There is no impact on Carbon emissions as a result of this report.
Diversity	No individual is adversely affected as a result of this report.
Wards Affected	The Civic Theatre is located within the Central ward.
Groups Affected	There will be no impact on individual groups other than those that use the Civic Theatre.
Budget and Policy Framework	There will be no change to the Council Policy Framework as a result of this report however there will be an impact of £50k on the MTFP -Capital.
Key Decision	This is not a key decision.
Urgent Decision	This is not an urgent decision.
One Darlington: Perfectly Placed	The Civic Theatre does have an impact on the place of Darlington contributing to the overall economy, environment and Perfectly Placed priority.
Efficiency	The outcome of this report does not impact on the Council efficiency agenda, however a refurbished Civic Theatre will have a positive impact.

## MAIN REPORT

### Background

7. Cabinet have considered the future of the Civic Theatre over the past two years as part of the Medium Term Financial Plan initially with the Civic Theatre being marketed for sale or lease. This process was unsuccessful and Members at special Council on 22 November 2011 agreed to continue to operate the Civic Theatre in-house through a revised business model. The business model enabled the Council to take the benefit of the VAT exemption

for Cultural services that is available to Local Authorities (Public Bodies) to apply to the income for admissions where there is no distortion of competition. This enabled the Civic Theatre to operate with substantially lower subsidy and Members allocated £100K per annum in the draft Medium Term Financial Plan. The Civic Theatre since implementing this model has continued to operate successfully delivering a broad and diverse programme.

8. Also within that report it was recognised that it would be necessary to invest in the Civic Theatre to bring it up to modern day standards in the short to medium term. It was also highlighted that a feasibility study would need to be carried with regard to a full refurbishment programme and fund raising strategy associated with that. The outcome of that feasibility would be brought back to Members in due course for their consideration. The route map to restoration attached at **Appendix 1** is the first part of that process identifying the steps to go through to implement a successful refurbishment project.

## **Proposal**

9. Theatre Search was engaged to carry out this initial route map to identify the issues, opportunities and challenges of any proposed restoration scheme. Theatre Search have significant experience working with Local Authorities on similar projects which include Theatre Royal in Newcastle Upon Tyne, Palace Theatre in Reddich, City of Variety Music Hall in Leeds and numerous other projects.
10. The key priorities of the refurbishment project are to ensure that the Civic Theatre continues to attract high quality performances with significant attendances. To do that, significant refurbishment is required to ensure that the back-stage facilities remain attractive to producers, directors and performers into the medium/long term. Equally, significant refurbishment will be required to keep the standard of facilities attractive to audiences (in comparison with the competition) in the medium/long term. An attractive, strong Civic Theatre can play an important role in ensuring the Borough has good cultural life, an important element in the recently agreed Economic Strategy. It will also play an important part in achieving the 'Creative Darlington' vision.
11. This will be achieved by evaluating the way in which the theatre works, the number of seats available, the quality of those seats, the potential market opportunities, the potential to reduce revenue costs through improved energy efficiency measures ensuring that the theatre is capable of attracting even better performances and greater audiences. In order to achieve this significant capital investment will be required. The route map to restoration clearly identifies the process the Council will need to go through to successfully deliver a restoration project.
12. As part of the ongoing work a detailed fund raising strategy will be developed, however it is anticipated that due to the significant historical value of the Civic Theatre there is an opportunity available at the current time to apply for Heritage Lottery Funding (HLF). The current arrangements for the HLF dictate that the minimum partnership funding of 10% of the total project cost is required though in reality a higher rate of between 15-25% is more likely to have successful outcome. Therefore a successful bid to the HLF could result in 85% of the funding for the project coming through that source. The funding gap and therefore additional funding required will be delivered through the fund raising strategy and potentially a restoration levy on ticket sales.

13. Within the attached Appendix, governance arrangements are discussed and at this stage it is unlikely that Council would move the operation of the Civic Theatre into a Trust as it would lose the benefit of the VAT Cultural exemption. However, it maybe worth considering the formation of a restoration trust which would have charitable status and the ability to attract funding that the Council is unable to. A further report will be brought back to members to consider this option.
14. The proposal would be to submit an application to the HLF in August 2013 with a decision expected in November 2013. At this point if successful the project will unlock the funding to the agreed contribution from the HLF to develop the scheme to a Stage 2 application at which point if successful the project will move on to construction.
15. Heritage Lottery at this time is the obvious place to look for funding and to produce a comprehensive application it will be necessary to invest £50K to progress the project to HLF Stage 1 application and if successful there is the potential to receive significant Capital Funding to deliver the project. This £50K Council funding would cover the costs of:
  - (a) Design team cost of repair RIBA stage B proposal
  - (b) Conservation management plan
  - (c) Surveys and investigations
  - (d) Digital drawings
  - (e) Heritage Lottery application documentation

### **Financial Implications**

16. There are no funds earmarked for this expenditure in the current capital programme therefore additional resources will need to be allocated. The funding of the additional £50K will be met from either under spends on existing schemes, capital receipts or prudential borrowing and the financial implications built into the MTFP.
17. A further report would be brought back to Members, with the full business case/financial plan and fund-raising strategy, to allow Members to decide whether or not to go ahead with the Capital works. However, it is necessary to fund the feasibility works first if the opportunity is to be tested.

### **Outcome of Consultation**

18. As part of the production of this report limited consultation has taken place other than with the key officers in the Council. If Members agree to progress this project then detailed consultation will take place with interested individuals, organisations and staff involved with the Civic Theatre.