
**CAPITAL PROGRAMME 2005/06 – RELEASE OF FUNDS FOR
ARTS CENTRE REFURBISHMENT**

Responsible Cabinet Member(s) - Councillor Lee Vasey, Leisure Services Portfolio

Responsible Director(s) - Cliff Brown, Director of Community Services

Purpose of Report

1. To report on the allocation of capital and external grants funding for the purpose of the Arts Centre Refurbishment.

Information and Analysis

2. A fundraising strategy has been in place over the last two years to support the Arts Centre redevelopment plan. The following funds have been allocated:

Source of Funding	Amount
Northern Rock Foundation	£250,000
Arts Council	£300,000
County Durham Environmental Trust (CDENT)	£50,000
Tees Valley Investment Fund	£30,000
DBC revenue contribution to capital from Community Services surpluses 2003/04	£91,000.
Total:	£721,000

3. Arts Council England has indicated a further £200,000 may be available following a review of their national capital programme. A decision is expected early 2006.
4. Additionally as outlined in the Fundraising strategy, the bidding process to raise capital funds is ongoing. Decisions are currently awaited from Foundation for Sport & The Arts (£50K), the Headley Trust (application stage has not yet identified recommended bid amount), GFAC (£100k) and the UK Film Council (£90k). Decisions on these bidding applications are expected in Spring 2006. In total, therefore, if all funding is received, the project would have a maximum value of £1.161m.

Scope of Proposed Scheme

5. The works have been re-scoped several times to minimise cost whilst achieving maximum commercial and artistic impact, improving accessibility and facilities for both artists and audiences.

6. The refurbishment design proposals have been developed by Brown Smith Baker and XSite Architecture. A number of additional specialist studies support the overall redevelopment plan including:
 - Stage Electrics – Technology strategy and specifications for sound and light.
 - Red Square Design – Audience Development Strategy for Young People.
 - Bowman Solutions – Fundraising strategy and grant applications.
 - Clancy Consulting has completed a detailed mechanical and electrical survey.
7. The refurbishment proposals have been divided into three distinct phases which reflect particular criteria required by the funding bodies. This phased approach is also aimed at minimising the impact of disruption to the users of the centre.
8. The areas included in each phase are as follows:

Phase 1

9. The refurbishment will provide modern, accessible performance and audience facilities that appeal to young people and meet the needs of end users – artists, audiences and staff; and will solve access and storage problems backstage of the main theatre.
10. A new 100-seat studio theatre will extend the 'ladder of presentational opportunities' offered to groups/work which do not yet have the stature to sustain audiences in the main theatre (or the Civic Theatre). Schools and colleges will use the facilities for rehearsal and performance. The new space will also free up time in the heavily booked main theatre schedule for other activities, boosting attendances from around 140,000 a year at present to over 150,000 a year following completion).

Phase 2

11. External works will transform the approach to the Arts Centre creating a plaza, arresting people's attention and providing a quality and contemporary visual experience to reflect the diverse arts activity on offer and outdoor performance and Café space. Additionally improved accessible parking/drop-off and pedestrian access.
12. This work includes a water sculpture by Angela Conner, this international artist's first commission in the North East is included in the creation of the plaza, providing external seating and a performance area.

Phase 3

13. The refurbishment of the Foyer area will create a new entrance to the theatre, improved reception facilities and a small community gallery. Additionally, this phase of the works will improve the existing bars and restaurant facility, which will enable the service to maximise the secondary spend opportunities.

14. The work has now been completed to RIBA stage G with planning permission. A budget cost plan and draft works programme is included in **Appendix 1A and 1B**. Work can begin in March/April 2006 and be completed by October/November 2006.

Impact of the Refurbishment

15. There are a number of potential financial benefits from proceeding with the refurbishment that reflect budget priorities to reduce subsidy to the Arts.
16. Following redevelopment, the Arts Centre expects to increase footfall recorded at the Arts Centre from 140,000 users per annum (plus 150,000 attendees at festivals and events) to 171,600 per annum one year after completion. It is estimated that as a minimum this could increase secondary spend income by approximately £30,000.
17. The new studio theatre facilities will provide additional capacity for up to 4,200 people (based on 40 performances per annum, attracting an audience of 100 people and involving a cast and crew of 10 people over 20 days). Current regular users include:
 - Queen Elizabeth Sixth Form College
 - Darlington College of Technology
 - Haughton Community School
 - Cleveland Theatre Company
 - The National Association of Youth Theatres Workshops
 - Bondgate Players
 - Darlington Operatic Society
 - In-house Junior Drama and Youth Theatre
 - Boys Dance and Youth Dance Groups
18. The Dance Studio currently generates an annual income of £11,000 and following the completion of refurbishment, tickets sales and room hire from the Studio Theatre are expected to generate an additional income of £6,000.
19. Resident organisations, including Cleveland Theatre Company and the National Association of Youth Theatres will make use of the facilities for more installation type work. It is estimated that this activity will total 40 days per year and the income from resident companies is expected to increase by at least £3,600.
20. The Queen Elizabeth Sixth Form College will use the space for rehearsal and assessed performance of AS and A2 theatre and performance studies group work from February to April and for rehearsal and performance of college drama productions at Christmas and Easter.
21. Having regard to the level of external funding, a capital programme bid of £96,000 has been provisionally supported by the Asset Management Group. This will enable refurbishment of the secondary income area in the foyer and bar, facilitating further income potential of £40,000 p.a.

22. The college is currently piloting extra curricula non-examined dance courses but aims to offer dance at AS and A2 from 2006 using the new studio space. Queen Elizabeth Sixth Form is committing an additional annual contribution of £6,000.

Outcome of Consultation

23. The current design proposals have been based upon consultation and feedback from users and user groups over a lengthy period of time. Now that the scheme has been finalised subject to approval, further consultation will take place prior to works commencing with interested groups. A progress report on the works has been previously presented for information to Environment Scrutiny Committee.

Financial Implications

24. The scheme is predominantly funded from external funding organisations and there will be no on-going revenue costs. If the scheme is not progressed, external funding will be lost and the additional income will not be available to reduce Arts subsidy.
25. The scope for the works reflect the resources available which at this point in time is £721,000. In order to complete all three phases, the additional bid to the Council's Capital Programme would have to be included. If further funding becomes available, such as the Arts Council England additional £200,000 and other bids, this will enable a more comprehensive project to be undertaken in each of the three phases.
26. Having regard to the significant external funding that has been achieved, Members are asked to release from the Capital Programme for 2006/07 the bid of £96,000 that has been recommended by the Asset Planning Group.

Legal Implications

27. This report has been considered by the Borough Solicitor for legal implications in accordance with the Council's approved procedures. There are no issues which the Borough Solicitor considers need to be brought to the specific attention of Members, other than those highlighted in the report.

Section 17 of the Crime and Disorder Act 1998

28. The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. It is not considered that the contents of this report have any such effect.

Council Policy Framework

29. The issues contained within this report do not represent change to Council policy or the Council's policy framework.

Decision Deadline

30. For the purpose of the 'call-in' procedure this does not represent an urgent matter.

Key Decisions

31. This is a key decision as failure to progress the scheme will result in the withdrawal of the allocated external funding. The resultant inability to carry out refurbishment works will therefore negate the ability to generate the expected additional income to reduce the arts subsidy.

Recommendation

32. Members are recommended to:

- (a) approve capital expenditure to a maximum of £1,161,000 in the event that all funding applications are received;
- (b) approve the release of £96,000 from the 2006/07 Capital Programme allocation;
- (c) approve, subject to receipt, the additional funds referred to in paragraphs 3 and 4 of the report to enable the works to be maximised in each of the three phases.

Reasons

33. The recommendations are supported to enable work to start to implement this project.

Cliff Brown
Director of Community Services

Background Papers

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

Steve Thompson : Extension 4529
SL